



Daily Report

Latin America

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Colombia

According to Santa Fe de Bogota radio, Pablo Escobar announced "from the Colombian jungle that there will be no acts of violence." Escobar specified as a condition for his surrender that he be allowed to stay in the Envigado prison, but under the control of special UN forces: "We are willing to continue the peace process and subject ourselves to justice if our stay in Envigado prison is guaranteed officially and UN special forces are allowed to control visits and exert external control over the prison."

Santa Fe de Bogota Radio also reports that the national government announced that a "thorough investigation is underway." The Justice Ministry will conduct the investigation and will have to present a report on its findings to the government. Paris AFP reports on the government's five-page communique answering questions on Escobar's escape. According to AFP President Gaviria stated "if [Escobar] escaped, he did so by taking advantage of an operation...which could provide guarantees to inmates as well as to the government and society."

Venezuela

In a news conference broadcast by Caracas TV, President Carlos Perez said he regretted that he was not able to attend the summit in Spain and thought the denial of permission for him to travel "was an incorrect decision adopted by the Venezuelan Senate." Commenting on the U.S. Supreme Court ruling in the Alvarez Machain case, Perez said: "We believe it establishes a risky precedent that tends to defeat the world aspirations for all countries...to govern and abide by international law." On the matter of Cuba becoming part of the new Ibero-American community, Perez said the community wished Castro would "announce that Cuba...will join the region to which it belongs, because Latin America and the Caribbean nations have always supported Cuba."

Nicaragua

Commenting on corruption charges in the report of the Comptroller General's Office, Presidency Minister Antonio Lacayo said although "several persons" have been "accused" this "does not mean those persons are guilty." In remarks carried by Managua TV Lacayo said it was important "not to politicize this matter," and that there were "several phases" in the legal process before guilt could be ascribed. Lacayo also said President Chamorro would travel to the U.S. to "obtain the release of U.S. aid."

Guatemala

Government Minister Fernando Hurtado Prem handed in his "irrevocable resignation" Guatemala City TV reports. According to the report, Hurtado handed in his resignation after appearing in Congress before deputies who had "expressed dissatisfaction" with his policies.

Party Leaders Discuss Central American Peace

PA2307153592 *Managua Sistema Nacional de Television Network in Spanish 0300 GMT 22 Jul 92*

[From the nonofficial "Extravision" newscast, directed by Manuel Espinoza, information minister during the Ortega administration]

[Text] The Farabundo Marti National Liberation Front [FMLN], Guatemalan National Revolutionary Unity [URNG], and Sandinist National Liberation Front [FSLN] on 21 July issued a joint statement in support of a true peace process for the entire Central American region. The chief topic of discussion during the meeting held by the leaders of the URNG, FMLN, and FSLN was the situation Central America is experiencing. The leaders of these groups specifically analyzed the peace process in each country.

Commander Rolando Moran of Guatemala stated negotiations have been delayed in his country due to the army and government stance. The talks are expected to resume within 15 days so that broad discussions can be held.

[Begin Moran recording] Means must be established to allow a more effective participation by civilian and social sectors. In that way, the dialogue would not be held by a closed group—namely, the government and the URNG. [end recording]

Commander Daniel Ortega noted the United States must understand that the Central American countries represent a single block, and that something affecting one country affects the others.

[Begin Ortega recording] Inaction now, or the damage that can be caused to the pacification process in Nicaragua or in El Salvador, or the efforts made by the Guatemalan comrades—the harm caused to any of these countries will have an impact on the whole process in the region. The United States must understand this. All the progress achieved can be reversed if the United States

does not have a truly constructive and realistic policy in Central America. [end recording]

Guatemala and Nicaragua expressed their support for the FMLN and the Salvadoran people in their efforts to implement the peace agreements signed in Chapultepec last January.

CLAC Discusses Drug Trafficking, Competition

FL2307140192 *Havana Radio Progreso Network in Spanish 1100 GMT 23 Jul 92*

[Text] The 36th meeting of the executive committee of the Latin American Civil Aviation Commission [CLAC] concluded on 22 July in Havana after approving methods for the prevention of illegal drug trafficking and condemning the cutthroat practices of commercial airlines.

The three-day meeting also proposed a group of facilities for airport users, regulation of congestion at airports, and clarification of the duties and rights of passengers.

Ibero-American Summit Opens in Madrid

WA220710489292

For reportage on the Ibero-American summit held in Madrid on 23 and 24 July, including Cuban media reports on the activities of Fidel Castro as well as reports on the activities of Argentine President Carlos Menem, Bolivian President Jaime Paz Zamora, Brazilian President Fernando Collor de Mello, Chilean President Patricio Alwyn, Costa Rican President Rafael Calderon, Ecuadoran President Rodrigo Borja, Salvadoran President Alfredo Cristiani, Guatemalan President Jorge Serrano, Honduran President Rafael Callejas, Mexican President Carlos Salinas de Gortari, Paraguayan President Andres Rodriguez, and Uruguayan President Luis Lacalle see the Ibero-American Summit section of the 22 July West Europe DAILY REPORT and subsequent issues.

Cuba

Amendments to Cuban Constitution Compared

PA2307174792 Hamburg DPA in Spanish 0010 GMT
13 Jul 92

[Text] Havana, 12 Jul (DPA)—The National Assembly (parliament) modified or updated some of the main articles of the Cuban Constitution in Havana over the weekend of 11 July.

Preamble:

—Guided by ideals of Jose Marti and the political and social ideas of Marx, Engels, and Lenin.

(Previous text: Guided by the victorious doctrine of Marxism-Leninism).

—Supported by proletarian internationalism, fraternal friendship, cooperation, and the solidarity of the peoples of Latin America, the Caribbean, and the rest of the world.

(previous text: Supported by proletarian internationalism, fraternal friendship, the help and cooperation of the Soviet Union and other socialist countries, and the solidarity of the workers and peoples of Latin America and the world).

—Determined to carry out the triumphant revolution of the Moncada and the Granma, of the Sierra and Giron led by Fidel Castro that, with the support of the close-knit unity of all the revolutionary forces and the people, achieved full independence, established revolutionary power, carried out the democratic transformations, began the construction of socialism and—with the Communist Party at the head—continues toward the final objective of building a communist society.

(it specifies that the construction of communist society is the "final" objective).

Political, Social, and Economic Principles of the State:

—Article 1: Cuba is a socialist, independent, and sovereign state, organized with all and for the sake of all as a unitary and democratic republic for the enjoyment of political freedom, social justice, collective and individual well-being, and human solidarity.

(previous text: The Republic of Cuba is a social state of workers and peasants, other manual workers, and intellectuals).

—Article 3: Sovereignty in the Republic of Cuba rests with the people, from whom originates the power of the state. This power is exercised directly or through the People's Government Assemblies and other organs of the state derived from them in the manner and according to the norms established by the constitution and the laws.

All citizens have the right to fight by all means, including the armed struggle when there is no other possible resource, against anyone who tries to overthrow the political, social, and economic order established by this constitution.

(it adds the second paragraph)

—Article 5: The Communist Party of Cuba—inspired in Marti principles, Marxist-Leninist, the organized vanguard of the Cuban nation—is the superior leading force of the society and the state that organizes and guides the common efforts toward the high goals of constructing socialism and moving on toward the communist society.

(previous text: The Communist Party of Cuba—Marxist-Leninist organized vanguard—is the superior leading force of the society and the state that organizes and guides the common efforts toward the high goals of constructing socialism and moving on toward communist society).

—Article 8 (new): The state recognizes, respects, and guarantees freedom of religion. In the Republic of Cuba, the religious institutions are separate from the state and education is separate from the religious institutions. The various religions and religious beliefs enjoy the same consideration.

—abolished article: The Republic of Cuba is part of the world socialist community, which constitutes one of the basic premises of its independence and development in all orders.

Article 12: The Republic of Cuba proclaims the anti-imperialist and internationalist principles.

(previous text: The Republic of Cuba proclaims the principles of proletarian internationalism and the combative solidarity of the peoples).

—paragraph "c" of Article 12: (The Republic of Cuba) reaffirms its willingness to integrate with and cooperate with the countries of Latin America and the Caribbean, whose common will and historical need of moving together toward economic and political integration will allow us to reach true independence and the place that we deserve in the world.

(previous text: hopes to integrate with the countries of Latin America and the Caribbean, freed from foreign dominations and internal oppressions, in a great community of peoples joined by the historical tradition and the common struggle against colonialism, neocolonialism, and imperialism in the same endeavour of national and social progress).

—Article 14: An economic system based on the socialist ownership of all the people over the basic means of production and the elimination of the exploitation of man by man rules in the Republic of Cuba.

The socialist distribution principle of from each according to his capacity and to each according to his work also rules in Cuba. The law establishes the regulations that guarantee the effective implementation of this principle.

(the new wording clarifies that socialist ownership is referred to the "basic" means of production of the country).

—Article 15: The following are the socialist state properties of all the people:

a) The land that does not belong to the small producers or the cooperatives made up of the same, the subsoil, the mines, the maritime and natural resources—both living and not living—within the economic area of the republic, the forests, the waters, and the means of communications;

b) The sugar refineries, factories, basic means of transportation, and all the enterprises, banks, installations, and goods that have been nationalized and expropriated from the imperialists, large landholders, and members of the bourgeoisie, as well as the factories, enterprises; and the economic, social, cultural and sports installations that have been built, promoted, or purchased by the state and any to be built, promoted, or purchased in the future.

These real properties and installations cannot be transferred to any persons or corporations, except in cases in which the property is transferred in order to be used in the economic and social development of the country and which do not affect the political, social, and economic principles of the state. This must be done with the prior approval of the Council of Ministers or its Executive Committee.

As for the transmission of other rights over these goods to state enterprises or other authorized entities for complying with their goals, these will be done according to the provisions of the law.

(the new wording eliminates the "irreversible" nature of socialist property, as mentioned in the previous text in the following terms: "Socialist property, which is the property of all the people, is irreversibly established over...." and it then quotes all the abovementioned goods).

—Article 18: The state directs and controls foreign trade. The law establishes the state institutions and authorities that are authorized to: Create enterprises for foreign trade, regulate the export and import operations, and determine the persons or corporations that have a legal capacity for carrying out said export or import operations, and for concluding commercial agreements.

(previous text: Foreign trade is the exclusive function of the state...).

—Article 23 (new): The state recognizes the ownership of mixed enterprises, economic societies, and the associations that are formed according to the law. The use, enjoyment, and disposal of the goods belonging to the previous entities is ruled by the law and the treaties as well as by their statutes and regulations.

Equality of rights:

—Article 42: Discrimination due to race, color of skin, sex, national origin, religious beliefs, and any other reason harmful to national dignity is prohibited and punished by the law. The institutions of the [sentence as received].

Supreme Court President on State of Emergency

FL2307170692 Havana Cuba Vision Network
in Spanish 0110 GMT 22 Jul 92

[Remarks by Supreme Court President Dr. Raul Amaro Salup from the "Open Agenda" program hosted by Antonio Resillez—live]

[Excerpt] [passage omitted] [Resillez] To change the subject, to change the subject [repeats] and also to respond to some viewers' interests, Dr. Amaro, what is the state of emergency for, how is it used, and why was it included in the Constitution at this time?

[Amaro] This has given rise to some comments, I would say, some statements concerning the state of emergency. In the first place, this is not rare or strange in constitutions, especially in Latin American constitutions, which were consulted, read, and examined. It existed at the time of the 1940 Constitution; it was set forth in Article 186. In its time, the 1940 Constitution was considered one of the most democratic that existed in all [words indistinct].

Here the only thing that has been included as a constitutional principle is the possibility, in the face of extremely serious situations—as the precept acknowledges—of decreeing a state of emergency. As for the content, scope, and duration of this state of emergency, that will be discussed and provided for within the law. Here the only thing that has been included is something that all constitutions have and that could lead us to set forth something this important in a law without having (?it in the Constitution). That would have been more serious. [words indistinct] adopt measures [words indistinct] need of a specific situation, a natural catastrophe, an evacuation, taking people out of their homes, violating homes—that is, against the precept of the inviolability of the home—without having a legal foundation.

So the only thing that has been done was simply to include the precept in the Constitution. If one looks at the constitutions of Latin America, I would not dare to say absolutely all, but it is in practically all those constitutions, constitutions of countries that are said to be democratic, etc. So I do not think that because it is

included in our Constitution [words indistinct] democratic [words indistinct] ordinary thing, and there is no reason for it to cause concern among some people, because I would say that most of our people do not have any concerns about it being in the Constitution.

[Resillez] I agree with you, Doctor. I absolutely agree, I absolutely agree. [repeats] [past tense omitted]

Morejon Commentary on Ibero-American Summit

PA2307173392 Havana Radio Havana Cuba in Spanish
0000 GMT 23 Jul 92

[Roberto Morejon commentary]

[Text] The annoyance of the U.S. Government and of ultrareactionary Cuban groups living in the United States over the active participation of the island in the Second Ibero-American Summit in Madrid is evidence of the antidemocratic intentions of those who claim they are the champions of political tolerance.

The U.S. ambassador in Madrid as well as the reactionary leaders of the Cuban counterrevolution established in Florida have taken on the task in the past few weeks of inciting public opinion regarding the alleged paradox of Cuba's presence at the Madrid summit.

The largest island in the Antilles is an Ibero-American country, and has every right to participate in the summit scheduled to begin in the Spanish capital on 23 July. Ever since Cuba's successful participation in the preceding summit held in Guadalajara, Mexico, the Cubans have carefully prepared themselves for this upcoming summit, where they will provide evidence of their compliance with the recommendations made at the Mexican city.

In contrast to Washington's anger and to that of a group of Cuban exiles, millions of people both inside and outside Spain believe Cuba's presence at the Ibero-American Summit is beneficial. Among them we find the Cuban Solidarity Group based in Mexico as well as other groups in that country that encouraged the drafting of a letter in support of the Caribbean nation backed by the signature of 15,000 people. Many Spanish citizens also organized cultural activities, demonstrations, and other actions to oppose the U.S. blockade against Cuba and to support this country's right to continue with the political system it has chosen.

Cubans have more than enough reasons to feel satisfied with the activities supporting the island's right to self-determination. This support can be seen among people who believe in socialism as well as among others who do not favor this ideology but who are opposed to foreign intervention in the largest island of the Antilles.

The revolution's prevalence and the failure to come true of the predictions of the alleged collapse of this process generate support in the four corners of the world. This cannot be erased by feverish U.S. diplomats in Madrid

or by the Miami reactionaries who have flown to Spain thanks to financial contributions by the darkest enemies of Cuba.

Castro Press Coverage Noted

FL2307161592 Havana Radio Rebelde Network
in Spanish 1155 GMT 23 Jul 92

[“Our Opinion” commentary by Orlando Contreras]

[Text] The Second Ibero-American Summit has already formally begun here in Madrid, lending continuity to a necessary process begun a year ago in Guadalajara, Mexico. I think that this undertaking that brings together, without the presence of the United States, the Latin American countries, whose titular roots are Hispanic—one of whose roots is Hispanic, although it is not the only root—is a positive thing. What is more, a desire to integrate in diverse spheres can be noted, although this will obviously not be accomplished overnight.

This is not the ideal, not the perfect situation. However, it is a step forward in a world characterized by harsh realities, where U.S. political and military hegemony prevails, and where many have lost their values, principles, and even elements of ethical conduct. A majority of the governments of Latin America, and the Spanish Government as well, have felt that a solution to the economic problems affecting their societies can be found in a market economy. Little by little, the facts seem to be failing to confirm those expectations. However, what is most important, as a reality, is that this political will of the majority exists on the part of the governments of Latin America.

Does this mean that no understanding is possible, not even as regards common problems and needs, which exist as tangible realities, separate from political and ideological [word indistinct]? Obviously not. With respect for diversity and ideological pluralism in international relations, many projects can be established without anyone's abandoning his convictions if he really holds those convictions.

At this summit, seven projects in the fields of education, health, science, and technology are taking shape. These projects denote a step forward. It is not a spectacular step; it is less than what one would like and less than what is needed, but something more than rhetoric not supported by actions. Cuba has made its position clear, and will never fail to be ready and willing to participate in a process that will integrate the people of Latin America and the Caribbean, that will help unite and create a common front on this continent vis-a-vis the more powerful one. The only thing Cuba demands is respect.

Fidel's presence here in the Spanish capital to participate in this Second Ibero-American Summit has given rise to enormous interest, and also friendly solidarity and popular support. And also, as was to be expected, a raging reaction from the archreactionaries and the pathetic,

scruffy group [lamentable corte de los milagros] that was brought to the scene from Miami to play the role of peculiar, hysterical mourners paid "x" number of dollars per screech.

One of the techniques most used by the empire's media and propaganda specialists is silence, alternating with manipulation of the facts, distortion, and bald-faced lies. I am not going to express an opinion on what is happening here, where there are also anti-Cuban views in the media, in keeping with political interests and [word indistinct]. I will limit myself to reproducing what is highlighted today by four of Spain's most important newspapers, either on the front page or in the headlines of inside pages.

The only photograph highlighted on the front page of the daily EL PAIS, the paper with the highest circulation in Spain, shows Fidel next to Spanish Foreign Minister Javier Solana, who met the president of Cuba's Councils of State and Ministers upon his arrival at Barajas Airport.

DIARIO 16 carries a big photograph of Fidel's arrival at Barajas Airport in Madrid that covers almost the entire front page of this tabloid, and inside: Fidel Castro Will Once Again Be the Focus of Attention. Subhead: The Absences From the Second Ibero-American Summit Will Make Cuba the Star. And, to describe a full-page report: As Happened Last Year in Guadalajara, The Big Star of the Second Ibero-American Summit That Begins Today in Madrid Will Be Fidel Castro.

In the first headline on its front page, the newspaper YA, which carries a boxed, color photograph of Fidel, says: Castro, Attraction of the Ibero-American Summit.

It is not I who say these things. They are highlighted by the Spanish press. Facts, like the sun, cannot be covered up with one's fingers.

Commentary Reviews Third Sao Paulo Forum

PA22J7002092 Havana Radio Havana Cuba in Spanish
0100 GMT 21 Jul 92

["Our America" commentary read by Manolo Ortega]

[Text] The Latin American struggle received support and a new boost for definite economic and political freedom during a meeting held in Managua, which was attended by more than 200 personalities from approximately 60 progressive regional groups.

Important topics were discussed, such as the application of neoliberal policies, deterioration of the area's living conditions, area integration, and the political solution to some of the conflicts prevailing in Central America.

Before going any further we must note this meeting was named the Sao Paulo Forum because it was established in this Brazilian city in 1990 with the main objective to join forces and project increasing actions toward the

peoples suffering varied and difficult situations in Latin America and the Caribbean.

It is precisely for this reason this Managua conference did not want to overlook Latin America and the Caribbean's most current topic—the application of neoliberal plans that are deepening the area's political and social crisis.

Representatives of the area's leftist parties said it is useless to amend the neoliberal project proposed for Latin America because the defect lies in the nature of the unjust world economic order, which seeks to consolidate the model of society it wants to implement.

This is the reason why the Sao Paulo Forum's third meeting proclaims that only the broad unity of all the world's progressive forces can manage to change goals that are more attuned to the exigencies of justice and peace.

Just as we said previously, the main discussions centered around the conflicts provoked in Central America and the Caribbean by the application of economic policies that make subsistence in the area more difficult, diminish health and education programs, and cause other conflicts of great magnitude. To this end, the Cuban delegation to the Managua event stated the so-called lost 1980's decade has worsened because the neoliberal programs have further impoverished society. As far as Cuba is concerned, the only possible option that remains is to seek alternatives—where the popular masses are the protagonists—and create a base to promote a democracy that will reach the people as a whole and not just provide a political environment.

The countries' sovereignty was also analyzed at the Third Sao Paulo Forum, especially the kidnapping law recently approved by the U.S. Supreme Court, which was widely rejected by the participants. Aimed at the continued support to the people struggling for their economic and political independence, the meeting of Latin American and Caribbean leftist parties demanded in its final document an end of the U.S. blockade against Cuba, restoration of Jean-Bertrand Aristide to the Haitian presidency, compliance with the El Salvador peace accords, and an end to U.S. meddling in Panama.

Navy Maintained Despite 'Difficult Conditions'

FL2307145092 Havana Tele Rebelde and Cuba
Vision Networks in Spanish 0000 GMT 23 Jul 92

[Text] A team from this news program and other colleagues from the Cuban media are touring Revolutionary Navy units. Dalia Reyes reports about the first day of these meetings.

[Reyes] Rear Admiral Pedro Perez Betancourt, the chief of the Revolutionary Navy, accompanied us on this visit, during which we observed how the levels of combat readiness are maintained even under the most difficult

conditions. At the Granma Military-Industrial Enterprise, we saw the work by innovators and efficiency experts which has made it possible to replace imports of parts and equipment which in the past have been very costly for our country.

Prior to that, at the Special Navy Training Center, we saw the training that is given to the combatants who belong to the People's Navy. Special groups showed us what they had learned during these years. The center, which is located in Boca de Jaruco, has ideal conditions for training seamen. More than 8 km of river and mangroves, and very simple installations make up the area which is suitable for training these militia members. Many of them are residents in the area and already accustomed to the characteristics of the coast. There are other similar centers in the country that are part of our preparations for the entire people's war.

There we also saw a detachment of Pioneer Scouts, who simulated the infiltration of an enemy group. The response was crushing. Once more, we were convinced that patriotic-military education begins at the earliest ages. Perhaps tomorrow, these children will be chiefs and officers of the Revolutionary Navy.

Hydroelectric Plant Contributes to Production

*FL2307154192 Havana Radio Rebelde Network
in Spanish 1155 GMT 23 Jul 92*

[Text] The Robustiano Leon Hydroelectric Plant workers in (Lavabánilla), Villa Clara Province, have made an important contribution to the national electricity system by not using a single drop of oil during peak hours. With great effort, the group of 42 workers permanently care for the technical state of the generators and keep them well maintained and repaired despite the lack of resources.

The plant's innovators have been able to solve the problems that have arisen, making changes to the cooling system. The hydroelectric plant's three generators contribute 45 megawatt-hours to the national system. While it is not in operation, it is supported at all times by the electricity generated by a mini-hydroelectric plant located 600 meters away.

Haiti

Bazin Expected To Appear Before House 23 Jul

*FL2307150192 Port-au-Prince Radio Metropole
in French 1400 GMT 23 Jul 92*

[Text] Prime Minister Marc Bazin (should appear) before the lower chamber on 23 July. The Justice Committee of the House of Deputies met on 22 July in order to prepare for today's meeting with the prime minister. All in all, it will be an ordinary session during which the prime minister will answer the deputies' questions relating to the 15 July incidents at the Faculty of Medicine and other acts of violence committed in the country.

Deputies Discuss Delegation To Meet With OAS

*FL2307151292 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 23 Jul 92*

[Excerpt] A few hours before the arrival of the OAS technical mission in the country, the House of Deputies met to form a delegation intended to represent it in a meeting with this OAS mission. There was no progress in the session even very late in the afternoon of 22 July because of the discussions among the deputies. Deputy Gabriel Sanon, who was the first one to speak, said he did not agree that the House of Deputies should send any delegate to meet with the OAS mission. Sanon thinks that it is not the House's role to participate in this meeting because a government has been established for that purpose.

According to Deputy Samuel Madistin, the House should hasten to form the delegation that should represent it in this meeting. Considering the number of people in the country who have already lost their jobs due to the embargo, Deputy Madistin thinks this meeting is very important. [passage omitted]

Senate Forms Delegation to OAS

*FL2307152292 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 23 Jul 92*

[Text] While the debates were dragging on at the House of Deputies, a senatorial source advised that the senators have formed a five-member delegation to represent them in the meeting with the OAS. These five members are: Senators Dejean Belizaire, Rony Mondestin, Eudrice Raymond, Bernard Sansaricq, and Thomas Eddy Dupiton.

Mexico To 'Import' 100 Russian Scientists

PA2307154492 Paris AFP in Spanish 1340 GMT
21 Jul 92

[Text] Mexico City, 21 Jul (AFP)—Fausto Alzati, director of the National Council of Science and Technology, told the media that 100 Russian scientists from diverse fields will work in Mexico, because "the low salaries in Russia make it possible for Mexico to import scientists."

The 100 researchers responded to an invitation from the Council. They will be able to remain in Mexico indefinitely, "if they have the necessary conditions to carry out their research and evolve professionally."

Alzati said the Russians will work "under specific conditions," but refused to reveal what those conditions are or in what fields the scientists will work.

The president of the Council also reported that only 250 of the 900 Mexican researchers working abroad have returned to the country through the "repatriation fund" created three years ago.

President Salinas Begins UK Visit

WA2207110692

For reportage on the visit to the United Kingdom by President Carlos Salinas de Gortari, including his talks with UK Prime Minister Major and journalists, see the United Kingdom section of the 22 July West Europe DAILY REPORT and subsequent issues.

Costa Rica

Cultural, Education Agreement Signed With Poland

PA1807131992 San Jose Radio Reloj in Spanish
0100 GMT 18 Jul 92

[Text] The Governments of Costa Rica and Poland have signed an ambitious agreement on cultural, education, and scientific exchange, after a three-day visit by Zbigniew Lewicki, the Polish deputy foreign minister.

During the signing ceremony, which took place at the Foreign Ministry, the importance of this agreement, which will extend until 1994, was highlighted. This agreement will permit the exchange of students, professionals in different fields, technology, and advisers.

Foreign Minister Bernd Niehaus said the improvement of ties between Costa Rica and a country with Poland's tradition and experience is greatly beneficial, particularly in the fields of culture and education.

Guatemala

Government Minister Hurtado Prem Resigns

PA2407010992 Guatemala City Teleonce Television
in Spanish 1800 GMT 23 Jul 92

[Text] Government Minister Fernando Hurtado Prem presented his irrevocable resignation on 23 July. Hurtado presented the resignation to acting president Gustavo Adolfo Espina Salguero moments after returning from Congress, where he appeared before deputies who have expressed their dissatisfaction of his policies as minister. The announcement was made first by Congress President Edmund Mulet, after he received a telephone call from Espina Salguero, according to Mulet. Hurtado Prem had been ratified as government minister by President Serrano Elias on 21 July, amid strong criticism by the Christian Democratic Party and other political groups, which called for his appearance at the Congress.

The criticism grew stronger after the eviction from the Central Plaza of peasants from Cajola, Quetzaltenango. On the morning of 23 July, at a news conference, peasant leaders Olayo Perez and Jose Pinzon, general secretaries of the Federation of Guatemalan Peasants and the Guatemalan Workers' General Central Organization, respectively, commented:

[Begin recording] [Perez] The thuggish acts by the national police are disgraceful and call for the strongest possible condemnation. By acting with violence against the peasants, they have again demonstrated the violent policy of the regime and the ruling political parties against the workers, peasants, and others. Far from seeking to pursue and punish the real criminals in the public administration and the private sector, they are rewarded and protected by the veil of impunity.

5. [as heard] We are witnessing a return to the dark regimes of the past. It would seem that the ghosts of General Romeo Lucas Garcia and Donaldo Alvarez Ruiz have returned the presidency to head the Government Ministry. [seven-second break in reception]

[Pinzon, in progress] ...the suspicious way in which the advice this government is receiving from the Chilean police has grown, and the use of methods like those used in the bleak past by national security forces in the times of Lucas Garcia and Donaldo Alvarez, as we point out in our newsletter. We say that it is suspicious because they are in our country, advising the national police. We demand an explanation. We hope and expect a clear explanation for the people, because we do not want a return to the somber national security doctrine. What we witnessed with the beating of mothers, children, wives, and the elderly reminds us of that sad past.

We also wish to say that we find the authorities' statement quite suspicious. They said they did not beat the children and no one was hurt. We find it totally irresponsible and cynical for them to say that others were forcing the children to cry, especially when it is a known fact that they beat children and wounded women and children. [end recording]

Nicaragua

Lacayo Comments on Violence, Comptroller's Report

PA2307153292 Managua Sistema Nacional
de Television Network in Spanish 0100 GMT 22 Jul 92

[Report by Erica Ramirez]

[Text] Presidency Minister Antonio Lacayo has said it is regrettable that, after 10 years, there are still people inciting violence. He described the recent protest incidents as little wars.

[Begin Lacayo recording] That is not the way we will achieve progress in this country. I mean if the demonstrators attack and injure the police, next time the police will be better prepared and more nervous and will act more forcefully. It will be the demonstrators who will be harmed. The persons involved in the 20 July protests were not hurt. I think the police do not want to beat anybody, but the attitude we witnessed on 20 July leaves no other alternative. [end recording]

Lacayo indicated any aid from abroad is in peril if protests continue to be violent.

[Begin Lacayo recording] These violent persons are jeopardizing future investments. I believe workers who need jobs, and the persons who are now seeking jobs must do their share to bring into line the persons who are not letting foreign investment come. The demonstrators project an image of great violence. The sad thing is that the persons engaging in acts of violence have jobs. [end recording]

Commenting on the report by the Comptroller General's Office, he said there is no country in the world in which such an office provides sufficient information with which to pass judgment on anybody.

[Begin Lacayo recording] The fact that the Comptroller General's Office issued a report in which several persons are accused does not mean those persons are guilty, because that would mean we would be omitting several phases of our legal process. That is like celebrating the birth of child on his wedding day. We must wait. What is important here is not to politicize this matter. We believe this matter was born politicized, and that way the Comptroller General's Office will never be able to function. If all its reports come out just as distorted and inspired by partisan and political objectives, we are wasting an opportunity history is giving us to have a Comptroller General's Office that truly serves the process of democratization in the country. [end recording]

Presidency Minister Lacayo announced President Violeta Barrios de Chamorro will travel to the United States on 28 July to meet with southern governors and to obtain the release of U.S. aid.

'At Least' 40 Police Injured in 20 Jul Clash

PA2407033992 Managua BARRICADA in Spanish
21 Jul 92 pp 1, 8

[By Alfonso Malespin, David Gutierrez, and Carlos Garcia C.]

[Excerpt] A battle between riot police, bus drivers, and Army retirees on 20 July left at least 40 police and various civilians wounded and seven children hospitalized for exposure to tear gas.

Seven police were seriously injured, some by bullets, in a brutal confrontation that took place opposite the Sandinist Central Organization of Workers (CST) building. The demonstrators responded to police tear gas attacks by hurling back stones, sticks, pieces of iron, and even firing guns.

Deputy Commander Alberto Vasquez, chief of Police Station No. 2, confirmed on the evening of 20 July the number of injured police. At press time it was learned that a delegation of bus drivers was negotiating with government officials a 21-point list of demands. The bus drivers temporarily removed their vehicles from the road.

The clash began after Enabus [National Bus Enterprise] drivers surrounded the Construction and Transportation Ministry with their buses. The ministry is located near the CST. Urban transportation in Managua was paralyzed to protest Minister Jaime Icabalceta's imposition of selling route control sheets at five cordobas each.

The drivers demand spare parts for the new Isuzu buses, no new routes other than those already established, and a reduction in the road tax charged by the mayor's office.

Some police had their clubs, shields, helmets, and tear gas masks removed violently by demonstrators, who showed them off as war trophies.

It began at 1445 near the Rigoberto Lopez Perez Stadium, when police hurled tear gas to disperse a strong group of demonstrators who were hurrying toward the CST.

The drivers and former EPS [Sandinist People's Army] soldiers tried to prevent the Sinacoi [National Fire Prevention System] from extinguishing a fire on the corner where the Shell gas station is, opposite the CST.

Riot police answered by firing into the air, trying to stop the angry mob. It was useless. The shower of stones forced the public force to retreat to the gas station, where they ran out of tear gas.

A block before Montoya [not further identified], Riot Police Chief Amin Gurdian urgently requested guidance from his superiors. A nervous Sinacoi member confirmed to BARRICADA that the drivers became angry when Sinacoi personnel tried to put out the fire.

Another version is that the demonstrators were angered by the arrival of a police truck, without license plates, carrying several cases of tear gas for the troops.

A crowd of demonstrators chased the truck, which crashed into two buses and demolished their hoods and windshields. Several men dragged the driver out of the truck and threatened to lynch him. Meanwhile, other men unloaded and distributed the tear gas.

Demonstrators "recovered" four cases of tear gas, shields, clubs, masks, and helmets, said Ricardo Jose Poveda Mena, one of the hand to hand fighters. [passage omitted]

Eight Injured in 21 Jul Demonstrations

Government Takes Security Measures

PA2307120792 Managua Radio Catolica in Spanish
1100 GMT 22 Jul 92

[Text] A dangerous atmosphere of violence is growing throughout the country due to the recent demonstrations by former members of the Army, National Bus Enterprise drivers, and university students. Demonstrations ended on the evening of 21 July with about eight people hurt, among them policemen, Army veterans, and transport workers. Latest reports state that authorities have announced further police operations for 22 July and a press conference by the Army commander. Also, it was learned that the Jose Benito Escobar Sandinist Workers Federation called a meeting with former Government Ministry employees.

The Government Ministry issued a communique designating the vicinity of the Presidential Palace, the Ministry of Finance, and the Luis Alfonso Velazquez Park as off-limits. This means that no demonstrations or vehicle movement will be allowed in that area. The Government

Ministry communique issued on the evening of 21 July states the National Police will work with support from the Army and will proceed to restore order.

Police Fire Tear Gas, Rubber Bullets

*PA2307152792 Managua Sistema Nacional
de Television Network in Spanish 0300 GMT 22 Jul 92*

[From the nonofficial "Extravision" newscast, directed by Manuel Espinoza, information minister during the Ortega administration]

[Text] We will now report on the current situation in the vicinity of the Presidency, after riot police violently dislodged retired officers of the Sandinist People's Army from an area near the Finance Ministry.

Five retired officers were reportedly arrested as a result of the clashes between the retired officers and riot police. In the beginning, the retired officers kidnapped two policemen, who already have been turned over to the National Assembly Security Office. Reports indicate that there was shooting from both sides, but there is no information on the exact number of persons injured. There are rumors about a retired officer who was seriously wounded and has probably died, but this has not

been confirmed. We also heard that two policemen were wounded, one of whom was hit in the neck and is in serious condition.

The police claim the clashes ensued when a group of retired officers kidnapped the two policemen we mentioned earlier, who were turned over to the National Assembly Security Office. Meanwhile, the retired officers claim the incident began when the riot policemen used tear gas to force the protesters to dislodge the positions they were occupying in front of the Finance Ministry.

There is currently a climate of tension in the area of the Presidency. Army troops have arrived to reinforce the police units. The National Police used rubber bullets against protesters for the first time. Those bullets were received from the Spanish Government as part of a cooperation agreement.

Here is a last minute report: Commander Daniel Ortega, secretary general of the Sandinist National Liberation Front, contacted Cardinal Miguel Obando y Bravo on the night of 21 July and will also contact the presidency minister [Antonio Lacayo] to request their mediation to prevent violence and promote a dialogue in order to find a solution.

We in the "Extravision" newscast sincerely hope this problem can be solved through dialogue and not violence.

Argentina

Menem To Visit Peacekeeping Troops in Yugoslavia

PY2307161292 Madrid EFE in Spanish
1717 GMT 22 Jul 92

[Excerpt] Madrid, 22 Jul (NA)—During his flight from Buenos Aires to Madrid, only two hours before arriving here, President Carlos Menem decided that he will pay a visit to the Argentine troops participating in the peacekeeping forces together with the UN "blue helmets" in former Yugoslavia.

This was confirmed today by a source in the Argentine entourage accompanying President Menem, who intends to express his support to the troops next Monday, 27 July, after ending his official visit to Spain in Seville. The purpose of Menem's visit to Spain is to participate in the Second Ibero-American Summit.

The consulted sources stated that Menem will travel to Zagreb accompanied by a small group of people, among whom are Foreign Minister Guido Di Tella, Defense Minister Erman Gonzalez, Army Chief of Staff Martin Balza, and Argentine Ambassador to the United Nations Jorge Vazquez. The defense minister and the army chief of staff will join the Argentine delegation here on 24 July. [passage omitted]

Foreign Debt With Paris Club Partly Refinanced

PY2307143592 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1943 GMT 22 Jul 92

[Text] Buenos Aires, 22 Jul (NA)—The government today managed to renegotiate \$2.8 billion of the \$8.73 billion Argentine debt with the Paris Club by establishing a deadline of 16 years with four years of grace.

Economic Minister Domingo Cavallo made this announcement during a news conference intended to explain the terms of the agreement with the Paris Club member countries.

Cavallo said: "The agreement rescheduling the debt expiration term to three years was signed at 1600 French time."

Argentina signed on 7 April an agreement to reschedule the \$32 billion debt with private banks. Argentine foreign debt totals \$61 billion.

A new deadline of 16 years, with a four year grace period—between 1 July 1992 and 31 March 1995—was established to cancel the debt with the Paris Club.

In the first two years after the period of grace, "only 3 percent of the refinanced debt will be paid."

Cavallo noted that "this is the first time ever that a 16-year deadline is established. Brazil was previously granted 10 years of grace, and early in 1992 14 years."

The Paris Club member countries expressed their "unanimous satisfaction" over the Argentine economic process during the signing ceremony.

Thus the rescheduling of the total Argentine foreign debt has been completed, and it only remains for the bilateral agreements with the Paris Club and foreign banks which reached an agreement under the Brady Plan to be signed.

The Argentine negotiating commission consists of Finance Under Secretary Horacio Liendo, Argentine Ambassador to France Italo Luder, and Adviser Rafael Iniesta.

Military Officer Injured by Explosive Device

PY2307002292 Buenos Aires BUENOS AIRES
HERALD in English 22 Jul 92 p 11

[Text] (DYN-NA)—Defense Minister Antonio Erman Gonzalez admitted yesterday in radio statements that the sending of an explosive device packaged as a cassette to Border Guard Chief Commander Jorge Suerz could have been motivated by "internal problems within the force" or a desire for revenge by drug traffickers. Gonzalez emphasized, however, that "none of the alternatives is official until all the information" is in. Sources said that Suerz received the parcel on Friday at his office and gave it to his assistant, Commander Roberto Villalba, to listen to over the weekend. When Villalba attempted to open what looked like a cassette case, the item exploded, injuring the victim in the face, abdomen and hands and costing him three fingers. Villalba remained in stable condition in the Central Military Hospital yesterday.

Government 'Temporarily' Acquires Airline Shares

PY2207191292 Buenos Aires Radio Nacional
Network in Spanish 1500 GMT 22 Jul 92

[Text] Economy Minister Domingo Cavallo has announced that Argentina will maintain ownership over 33 percent of Aerolineas Argentinas shares, but added that it will sell them back in the stock market as soon as possible. Cavallo said that the state will temporarily replace Argentine partners who are unable to provide capital. The process will be made possible through the capitalization of debts that Iberia had with the country, which means that the country will not provide any cash for the operation.

Aerolineas Argentinas shares are now owned as follows: Iberia, 30 percent; Spanish banks, 19 percent; the Argentine nation, 33 percent; airline workers, 10 percent; and Argentine private entrepreneurs, 8 percent.

Cavallo said that all pending issues with the state over Aerolineas Argentinas are over, adding that the government decided to replace Argentine partners because they were unable to provide additional contributions.

Bolivia

Paz Zamora on DEA Agents, U.S. Relations

PY2307135592 Madrid EFE in Spanish
1029 GMT 23 Jul 92

[Text] Madrid, 23 Jul (EFE)—Bolivian President Jaime Paz Zamora told EFE on 23 July that "we are going to draft very clear rules and regulations regarding the comportment of DEA agents in Bolivia," and that "in no way will they be allowed to build posts in the drug trafficking areas."

Paz Zamora said that "greater coordination will be demanded, and all military activities carried out in Bolivia by the United States will have to be in joint cooperation with the Bolivian Army."

According to the Bolivian president, "during the past few years very positive agreements" have been achieved through relations with the United States, "but undoubtedly we have had to face some real problems in drug trafficking and military coordination in Bolivia."

The lack of information and the "inadequate coordination of the programs," the president said, "have annoyed the Bolivian people and even the Armed Forces, but they are problems that have emerged within a relationship that in overall terms is being developed with good prospects."

Regarding the attack against the Bolivian Embassy in Lima, Paz Zamora stated that "there is no indication that the Shining Path group wants to attack Bolivia."

"I do know," he added, "that Shining Path wishes to isolate Peru from the international community." It is his belief that the attack must be placed within the framework of the other 13 Shining Path attacks against other Latin American embassies, including those of Peru's neighboring countries.

"Bolivia has a dynamic policy regarding Peru—the attack must be construed within the framework of this policy," Paz Zamora said. The Bolivian president arrived in Madrid on 22 July to participate in the Second Ibero-American Summit of chiefs of state and government.

Brazil

Former Minister Charged With Taking Bribes

PY2207205792 Rio de Janeiro O GLOBO
in Portuguese 21 Jul 92 p 4

[Text] Brasilia—Jane Maria Resende, the Commission for Support and Defense of Amazon Region Gold Panners [Comissao de Apoio e Defesa dos Garimpeiros da Amazonia] (Codega) president, yesterday reported that in February she paid \$50,000 to former Infrastructure Minister Joao Santana as part of a bribe to break the monopoly of the Serra Pelada gold field administration controlled by former Deputy Sebastiao Curio, who is

chairing the Serra Pelada Miners and Gold Panners Joint Cooperative [Cooperativa Mista de Mineradores e Garimpeiros de Serra Pelada] (Coomigasp).

Jane Resende presented a formal report to Planalto Palace and in the senate and chamber of deputies presidential offices, and today she will present it to the attorney general's office. As evidence, Jane presented a copy of a contract between the Joint Cooperative of Gold Panners With Serra Pelada Prospecting Rights [Cooperativa Mista dos Garimpeiros Proprietarios de Cata de Serra Pelada] (Coompro)—which reportedly bribed the minister—and the Assecon—Advisory Services, Consulting, and Foreign Trade—company of Brasilia for \$100,000 and 450 kg of gold.

According to Jane Resende, the contract was resolved in the waiting room of [former] Minister Joao Santana in the presence of Santana's adviser Nelson Madureira. The agreement, which according to Jane Resende included "income of \$50,000 for Santana," prevented the minister from extending, through a resolution, Law No. 7,194 that allowed the Coomigasp to administer the Serra Pelada gold field. With the non-extension of the exclusive rights, the monopoly was abolished on 11 February, allowing the Coompro to compete with Curio over the mining of the rejects of Serra Pelada's mother lode which yielded 100 kg of gold per month, with reserves estimated at 3.5 metric tons. Jane said the deal was closed a few days before 11 February while she and Coompro President Antonio Eneas de Alencar were staying at the Hotel das Americas in Brasilia on the account of Japanese Akio Miyake, the owner of Serra Pelada Mining Company.

Jane said: "There, at the [Infrastructure] Ministry, Magela [not further identified] and Madureira entered a room, saying they were going to ask the minister. Upon returning, Magela told me that in Brasilia \$100,000 was a bargain. They would close the deal if they had a right to an additional 350 kg of gold for the minister's group and 100 kg of gold for Magela's company."

Santana

"They are selling me cheap." This was the remark with which former Infrastructure Minister Joao Santana rebuffed a report that he had received \$50,000 for not signing a decree.

Santana said: "I prefer not to believe she said that. Otherwise, my attorneys will take criminal action against that lady. I never have known of any state-run company involved in corruption. I am deeply discontented with Curio—I've stopped playing the game with him and Serra Pelada."

*** Early July Polls on Perceptions of Collor***** 70 Percent Approve of Speech**

92SM0526A Rio de Janeiro O GLOBO in Portuguese
2 Jul 92 p 8

[Text] President Collor's speech over nationwide TV last Tuesday night won the approval of 70 percent of the Brazilian public, according to a survey done by IBOPE [Brazilian Public Opinion and Statistics Institute] in 114 of Brazilian small-, medium-, and large-size cities. Only 20 percent of the 894 respondents did not like the speech, while 6 percent expressed indifference, and 4 percent gave no opinion.

In general, did you approve or disapprove of the speech?

Approve	70 percent
Disapprove	20 percent
Indifferent	6 percent
Don't know	4 percent

The majority of the respondents—67 percent—believe the president should remain in office, while 23 percent think the time has come for Collor to step down. On this issue, 10 percent preferred not to give any opinion.

Now, following the speech, do you believe the president should stay in office or leave?

Should stay	67 percent
Should leave	23 percent
Don't know	10 percent

Most—71 percent—think it was proper of Collor to ask for radio and television time to defend himself against charges of alleged involvement with businessman PC Farias, whose activities are being investigated by a CPI [Congressional Investigating Committee]. Only 14 percent said that Collor should not have made the speech, and 11 percent preferred not to give an opinion. That left 4 percent who were indifferent to the president's appearance on television.

Did the president act properly, or not, in making the speech?

Acted properly	71 percent
Acted improperly	14 percent
Neither properly or improperly	4 percent
Don't know	11 percent

The forceful tone Collor assumed in his speech produced good results: 59 percent of the respondents felt he was sincere in vehemently denying any connection with

PC—especially the accusation that the businessman was paying the expenses of Casa da Dinda, Collor's official residence. On this aspect, 26 doubted Collor's sincerity, and 15 percent said they had not formed an opinion.

Was the president sincere or not in his speech?

Sincere	59 percent
Not sincere	26 percent
Don't know	15 percent

The public's confidence in the president, according to 36 percent of respondents, did not change in the wake of the speech. To 35 percent of people, however, confidence in the administration increased, while 18 percent said it declined, and 11 percent were unable to give an answer.

Did the speech increase, decrease, or fail to change the public's confidence in the president?

Increased	35 percent
Decreased	18 percent
Failed to change	36 percent
Don't know	11 percent

The IBOPE poll was taken between Tuesday evening, right after the speech, and yesterday morning. The pollsters talked only to people who had watched the speech on TV or heard it on radio. On the basis of calculations by DataIbope, audience ratings in Greater Sao Paulo were 75 percent.

The IBOPE sample was representative of the electorate in the areas studied. It had been prepared in proportional quotas on the basis of significant variables, i.e., sex, age group, occupational status, and geographic location.

*** 63 Percent Say Collor Involved**

92SM0526B Sao Paulo FOLHA DE SAO PAULO
in Portuguese 1 Jul 92 p 1-7

[Text] President Fernando Collor de Mello should resign, in the opinion of 36 percent of the 5,891 persons interviewed by DataFolha between 24 and 29 June. Another 17 percent think Collor should step down temporarily while the charges of his involvement with PC Farias are being investigated. By adding these rates together, we find that 53 percent would like the president of the Republic to leave Planalto Palace, at least temporarily.

DataFolha's poll was conducted in 12 Brazilian capital cities. A minority of those consulted (41 percent) decided Collor should remain in office, even while the investigations are still under way. The strongest sentiments in favor of immediate resignation were found in Fortaleza (50 percent). Sao Paulo respondents were most in favor of his remaining (48 percent).

Position Collor Should Take While Charges of His Involvement With PC Farias Are Being Investigated
(One answer, prompted, in percent)

Question: In your opinion, what should President Collor do while the charges of his involvement with PC Farias are being investigated?

Weighted Total	Cate-gories	Sao Paulo	Rio de Janeiro	Belo Horizonte	Salvador	Fortaleza	Recife	Maceio	Porto Alegre	Curitiba	Manaus	Campo Grande	Goiânia
41	Stay in office	48	42	41	30	24	23	40	35	32	31	43	41
17	Step down temporarily	14	16	21	19	19	17	12	18	21	27	17	18
36	Resign	32	37	31	43	50	45	33	45	39	36	34	35
6	Don't know	5	4	8	8	7	15	15	3	7	6	6	6

Another important finding of the DataFolha survey was that 63 percent of those interviewed believe that Collor is involved with PC Farias in instances of corruption. Only 18 percent argue he is innocent, while 19 percent have reached no firm conclusions.

The conviction that Collor has been involved in corrupt dealings is higher in Porto Alegre (77 percent). Meanwhile, in Maceio, Collor's political birthplace, 32 percent believe the president is innocent. Even so, another 46 percent indicated that he is involved with PC.

Opinion on President Collor's Involvement in Cases of Corruption (One answer, prompted, in percent)

Question: In recent weeks various charges have been made involving President Collor in cases of corruption, through businessman Paulo Cesar Farias, or "PC." In your opinion, is or is not President Collor involved with PC in cases of corruption?

Weighted Total	Cate-gories	Sao Paulo	Rio de Janeiro	Belo Horizonte	Salvador	Fortaleza	Recife	Maceio	Porto Alegre	Curitiba	Manaus	Campo Grande	Goiânia
63	Yes, he is involved	65	60	59	67	59	58	46	77	63	57	59	56
18	No, he is not involved	19	21	17	13	14	15	32	11	15	19	21	19
19	Don't know	16	19	24	20	27	28	22	12	21	24	20	25

When asked to evaluate the federal government administration, the weighted total of responses gathered in the 12 capital cities shows that 68 percent of respondents rated Collor's performance as poor/awful. The index of negative opinions was highest in Salvador, where the disapproval rate was 78 percent.

Another 10 percent of respondents say the administration is excellent or good. Maceio showed the highest index of clear approval of Collor, at 15 percent. Another 60 percent of Alagoans, however, found the administration to be poor/awful.

Assessment of the Collor Administration in 12 State Capitals (One answer, prompted, in percent)

Question: In your opinion, is President Collor running an excellent or good, fair, poor or awful government?

Weighted Total	Cate-gories	Sao Paulo	Rio de Janeiro	Belo Horizonte	Salvador	Fortaleza	Recife	Maceio	Porto Alegre	Curitiba	Manaus	Campo Grande	Goiânia
10	Excellent/good	12	10	13	5	8	5	15	5	7	9	14	13
19	Fair	21	19	20	16	14	15	20	18	17	19	22	22
68	Poor/awful	65	68	65	78	75	76	60	77	75	70	59	63
2	Don't know	2	3	2	2	3	4	6	1	1	2	4	3

The Congressional Investigating Committee (CPI) that is looking into charges against PC Farias will not, in the opinion of 70 percent of the respondents, produce any results. The chorus of skeptics was loudest in Curitiba, at 75 percent.

Only 23 percent of those consulted are confident that the CPI will investigate the charges thoroughly, right to the

end. Porto Alegre produced the highest rate of confidence in the committee's work, at 30 percent. Indecision was highest in Maceio and Recife, both at 15 percent. Out of the weighted total, 2 percent of the respondents gave answers other than the three suggested in the questionnaire on the CPI.

Opinion on the Congressional Investigating Committee (One answer, prompted, in percent)

Question: The National Congress has set up a Congressional Investigating Committee to look into the charges made against businessman Paulo Cesar Farias. In your opinion, will that CPI investigate those charges through to the end, or will it put on a show, without producing any results?

Weighted Total	Cate-gories	Sao Paulo	Rio de Janeiro	Belo Horizonte	Salvador	Fortaleza	Recife	Maceio	Porto Alegre	Curitiba	Manaus	Campo Grande	Goiânia
23	Will investigate charges to the end	24	20	26	21	26	21	22	30	17	25	25	18
70	Will only put on a show, without any results	71	72	65	71	65	64	62	64	75	68	67	72
2	Other responses	1	5	1	1	2	0	1	1	2	0	1	4
6	Don't know	4	3	8	7	7	15	15	5	5	7	7	5

Survey Methodology

DataFolha's poll was a statistical survey using a stratified sample with quotas for sex and age. During the poll, conducted on 24, 26, and 29 June, 5,891 voters in 12 state capitals were interviewed. The poll is the product of DataFolha and was taken under the direction of sociologists Antonio Manuel Teixeira Mendes and Gustavo Venturi, with Emilia de Franco and Mauro Francisco Paulino assisting with planning and analysis. Wilson Aghanatios Chammas, assisted by Magda Cristina Ribeiro and Mauro Corrao, was in charge of supervision. Renata Nunes Cesar, assisted by Solange Rodrigues Rocha, handled the data processing.

* 53 Percent Favor Stepping Down

92SM0526C Sao Paulo FOLHA DE SAO PAULO
in Portuguese 5 Jul 92 p 1-8

[Text] A poll taken by DataFolha in 11 state capitals following President Collor's speech on radio and TV

shows that the absolute majority (53 percent) of those interviewed are in favor of the president leaving office: 36 percent advocate resignation and 17 percent would like to see him step down temporarily while the charges of his involvement with Paulo Cesar Farias are being investigated. A significant portion, 43 percent, argue that Collor should remain as president.

In Sao Paulo, the percentage of those who favor resignation has been rising steadily since 25 May. A poll taken on that date found that 25 percent of respondents favored resignation. This percentage rose to 32 percent on 24 June and 36 percent on 2 July. The percentage of Sao Paulo residents who want Collor to remain as president is declining: it fell from 50 percent in May to 48 percent in June, and has now reached 47 percent.

36 Percent Want President To Resign (One answer, prompted, in percent)

Question: In your opinion, what should President Collor do while the charges of his involvement with PC Farias are being investigated?

Cate-gories	Weighted Total	Sao Paulo	Rio de Janeiro	Belo Horizonte	Fortaleza	Recife	Maceio	Porto Alegre	Curitiba	Belem	Brasilia
Stay in office	43	47	43	47	27	25	44	36	42	41	35

36 Percent Want President To Resign (One answer, prompted, in percent) (Continued)

Question: In your opinion, what should President Collor do while the charges of his involvement with PC Farias are being investigated?

Step down temporarily	17	14	16	20	21	24	19	21	16	15	16
Resign	36	36	35	30	46	38	25	42	38	40	45
Don't know	5	3	7	3	6	14	12	1	3	5	4
Total in percent	100	100	100	100	100	100	100	100	100	100	100
Total number of answers	5055	1078	628	420	420	420	420	418	420	417	414

Base: The entire sample

As regards the president's speech on nationwide TV and radio last Tuesday, the majority of those polled (67 percent) in 11 state capitals who watched or heard his statements do not believe the president satisfactorily answered the accusations linking his name with that of "PC" in cases of corruption, but to 23 percent, Collor did respond satisfactorily. The speech garnered a reasonably good audience: 32 percent heard the entire speech, and 24 percent heard part of it; 44 percent did not hear the speech at all.

Audience for Collor's Speech (In percent)

Question: Did you watch or listen to the speech that President Collor made on nationwide radio and television the day before yesterday? Did you watch or listen to the whole speech, or only part of it?

Categories	Weighted total
Watched/listened to the entire speech	32
Watched/listened to part of the speech	24
Neither watched nor listened	44
Total in percent	100
Total number of answers	5483

Base: The entire sample

**Opinion on Collor's Speech
(One answer, prompted, in percent)**

Question: Did you watch or listen to the speech that President Collor made on nationwide radio and television the day before yesterday? Did you watch or listen to the whole speech, or only part of it?

Categories	Weighted total
He answered satisfactorily	23
He did not answer satisfactorily	67
More or less	6
Other responses	2
Don't know	2
Total in percent	100

Total number of answers	2944
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Base: Respondents who watched or listened to at least part of President Collor's speech.

The individuals surveyed feel that the investigations on Collor's involvement in corruption should continue, even if he were to resign the presidency (83 percent). Only 14 percent believe they should be suspended.

The majority also feel that were he to resign, Collor should be prosecuted if the investigations conclude that he perpetrated acts of corruption; 7 percent believe the president should be given amnesty.

The political crisis also coincides with a drop in support for the presidential form of government. Of those surveyed, 53 percent prefer the parliamentary system and 30 percent the presidential system. In September 1987, these rates were 43 percent and 36 percent, respectively. In April of last year, the parliamentary system was preferred by 53 percent, while those favoring the presidential system slid to 35 percent.

**Opinion on the System of Government if Congress Were To Advance the Date of the Plebescite
(One answer, prompted, in percent)**

Question: In the event that Congress moves up the date of the plebescite on the system of government, would you vote in favor of the presidential system, which is the one we have now in which the president is the only head of government and chooses the ministers of state, or for the parliamentary system in which the president shares leadership with a prime minister, who appoints the ministers of state?

Categories	Weighted total
Prefer presidential system	30
Prefer parliamentary system	53
Other responses	3
Don't know	13
Total in percent	100
Total number of answers	5483

Base: The entire sample

The image of Minister of the Economy Marcilio Marques Moreira has lost substantially less of its luster than has the image of the president: 41 percent of those polled think that were Vice President Itamar Franco to take over as president, Minister Marques Moreira should be kept in the post; 46 percent say he should be replaced. However, Marcilio's economic policy is resoundingly rejected: 72 percent of respondents believe a new president should change economic policy, compared with the only 20 percent who argue for its continuance.

Maintenance of Current Economic Policy if Itamar Becomes President (One answer, prompted, in percent)

Question: Should Itamar Franco, as president, maintain the current economic policy or change it?

Categories	Weighted total
Should maintain current economic policy	20
Should change economic policy	72
Don't know	8
Total in percent	100
Total number of answers	5482

Base: The entire sample

Majority Want New Elections

Of those queried by DataFolha, 54 percent think new direct elections for president should be held if Collor resigns or is impeached. Another 19 percent say that Vice President Itamar Franco should take over, and 14 percent think the Congress should move up the date of the plebiscite on the system of government (parliamentarism vs. the presidential system).

What Would Be Best for Brazil if Collor Were To Resign? (One answer, prompted, in percent)

Question: In the event of a resignation or impeachment of President Collor, what would be the best for this country, in your opinion?

Categories	Weighted total
Itamar should assume the presidency	19
Congress should move up date of plebiscite	14
Call new direct elections for president	54
Other responses	5
Don't know	8
Total in percent	100
Total number of answers	5483

Base: The entire sample

If the elections for president were held today, the president of the PT [Workers Party], Luis Inacio Lula da Silva, would win 23 percent of the votes. Running second would be Paulo Maluf of the PDS [Social Democratic Party], with 18 percent; followed by Leonel Brizola of the PDT [Democratic Workers Party] with 14

percent; Orestes Quercia of the PMDB [Brazilian Democratic Movement Party] with 11 percent; Antonio Carlos Magalhaes (PFL) [Liberal Front Party] at 6 percent; and Tasso Jereissati (PSDB) [Brazilian Social Democracy Party], also with 6 percent.

Voter Intentions, Prompted, if Presidential Elections Were Held This Year (One answer, prompted, in percent)

Question: If the elections were held today and these were the candidates, for whom would you vote?

Categories	Weighted total
Lula	23
Paulo Maluf	18
Leonel Brizola	14
Orestes Quercia	11
Antonio Carlos Magalhaes	6
Tasso Jereissati	6
Cast blank or void ballot/no one	18
Don't know, has not decided	4
Total in percent	100
Total number of answers	5483

Base: The entire sample

The following are the expectations concerning a potential Itamar Franco government: 33 percent believe he would run a poor or "awful" administration; 31 percent think his government would be "fair," and 10 percent think that his performance would be excellent or good.

In comparison with the Collor administration, 39 percent say that Franco's would be of the same caliber as that of the current president; 21 percent think Franco would run a better government, and 23 percent say his government would be worse than Collor's.

Survey Methodology

DataFolha's poll was a statistical survey using a stratified sample with quotas for sex and age. The survey was taken at points where there is heavy pedestrian traffic, distributed according to criteria that divided the city into geographical sectors and by socioeconomic group. In this survey, conducted on 1 and 2 July, pollsters talked to 5,484 people. Of these, 1,078 were residents of Sao Paulo, and 628 lived in Rio. The survey interviewed 420 people each in Belo Horizonte, Salvador, Fortaleza, Recife, Maceio, Porto Alegre, Curitiba, and Belem. There were 417 respondents in Brasilia. The margin of error is 2 percent.

The poll is the product of DataFolha and was taken under the direction of sociologists Antonio Manuel Teixeira Mendes and Gustavo Venturi, with Emilia de Franco and Mauro Francisco Paulino assisting. Statistician Renata Nunes Cesar was in charge of data processing.

* Politicians on Impeachment

92SM0526D Sao Paulo FOLHA DE SAO PAULO
in Portuguese 12 Jul 92 p 1-10

[Text] If the CPI [Congressional Investigating Committee] that is investigating the activities of Paulo Cesar Farias implicates the president of Brazil, the majority of the members of the federal Chamber of Deputies (62 percent) would vote to begin impeachment [preceding word in English throughout this article] proceedings against President Collor.

A DataFolha poll conducted during this past week in the National Congress showed that Collor's standing in the Chamber of Deputies as a whole is not good. That body would have the authority to approve, by a two-thirds majority, the beginning of proceedings against the chief of the executive branch. If the CPI points its finger in the direction of the president, only 12 percent of the deputies would rule out the idea of supporting proceedings against him.

Asked whether Collor has satisfactorily responded to the accusations of his involvement with PC, 60 percent of the deputies answered "no." Only 25 percent opted for "yes."

The majority (43 percent) believe the president is involved in cases of corruption and influence-peddling. Only 26 percent say they believe he is innocent. Awaiting the findings of the CPI are 16 percent.

DataFolha talked to 391 deputies (78 percent of the total of 503).

The Senate

In the Senate, survey workers talked to 48 legislators (59 percent of the total of 81). There, the president's position is more comfortable. Only 29 percent believe he is involved in corruption and influence-peddling. Some 25 percent believe he is innocent, 25 percent of the rest prefer to wait before passing judgment.

Among senators, 38 percent are in favor of proceeding against the president in the event that the CPI concludes that there indeed exist ties between Collor and PC Farias. Those opposed represent 8 percent; 17 percent are waiting for completion of the investigation.

But the members of the upper house are also mistrustful of the explanations that Collor has been offering in the PC case; 58 percent term his answers unsatisfactory, compared with 31 percent who find them to be satisfactory.

Parties

Even in the leading government party, the PFL [Liberal Front Party], the number of legislators who would support proceedings against Collor (29 percent) exceeds those who would be against such a move (22 percent)—again, provided the CPI accuses the president.

The PT [Workers Party] is the only party in which the pollsters found unanimity in favor of impeachment among those whom they interviewed. Ranking next are the PSDB [Brazilian Social Democracy Party] (86 percent), the PDT [Democratic Workers Party] (78 percent), and the PMDB [Brazilian Democratic Movement Party] (68 percent).

The figures illustrate the antagonism between the opinions of the PDT delegation and those of that party's top leader, Leonel Brizola, governor of Rio de Janeiro State. He has been perhaps the staunchest of Collor's allies during the political crisis unleashed by Pedro Collor's charges against his brother.

Among the parties for which DataFolha broke down its data, Collor's PRN [National Reconstruction Party] is the only one whose majority (33 percent) dismisses the possibility of prosecuting the president. But 24 percent are in favor, and another 24 percent say they are waiting to hear what the CPI has to say. Within the PDS [Social Democratic Party], another party that supports the administration, 51 percent would agree to prosecute the president.

The PRN is the only party in which no legislator said he believes Collor is involved in corruption and influence-peddling.

In all, 63 percent of the deputies and 56 percent of the senators would not agree that the president should step down temporarily while the accusations against him are being investigated.

Legislators' Views on Collorgate

Opinion on Collor's Involvement With PC in Cases of Corruption and Influence-Peddling (One answer, prompted, in percent)

Question: In light of the testimony given so far to the CPI that is investigating the activities of Paulo Cesar Farias, in your opinion, is or is not President Collor involved with PC in cases of corruption and influence-peddling?

Categories	Chamber			Current Party Affiliation								
	Total	Senator	Deputy	PMDB	PFL	PDT	PSDB	PDS	PT	PTB	PRN	Other Parties
Yes, he is involved	41	29	43	54	3	47	78	20	97	23	—	43

**Opinion on Collor's Involvement With PC in Cases of Corruption and Influence-Peddling
(One answer, prompted, in percent) (Continued)**

Question: In light of the testimony given so far to the CPI that is investigating the activities of Paulo Cesar Farias, in your opinion, is or is not President Collor involved with PC in cases of corruption and influence-peddling?

No, he is not involved	26	25	26	5	51	19	3	37	—	58	81	22
Awaiting results of the CPI	17	25	16	26	16	14	19	23	3	4	10	17
Don't know	13	15	13	10	26	14	—	17	—	15	5	16
Did not want to answer	3	6	3	5	4	6	—	3	—	—	5	2

**Position Collor Should Take While Charges of His Involvement With PC Farias Are Being Investigated
(One answer, prompted, in percent)**

Question: In your opinion, what should President Collor do while the accusations of his involvement with PC are being investigated by the CPI?

Categories	Chamber			Current Party Affiliation								
	Total	Senator	Deputy	PMDB	PFL	PDT	PSDB	PDS	PT	PTB	PRN	Other Parties
Stay in office	62	56	63	49	87	64	22	86	9	85	100	69
Step down temporarily	14	23	13	26	3	17	42	6	9	8	—	8
Resign	17	10	18	17	3	8	25	3	82	—	—	19
Await final results of CPI	2	2	2	3	3	3	3	—	—	—	—	2
Other responses	2	2	2	2	1	3	3	3	—	4	—	1
Don't know	0	2	0	—	—	—	6	—	—	—	—	—
Did not want to answer	2	4	2	2	3	6	—	3	—	4	—	1

Opinion on Initiating Impeachment Proceedings Against the President if Collor Is Accused of Abuse of Public Office by the CPI (One answer, prompted, in percent)

Question: If, when it completes its work, the CPI charges Collor with crimes of abuse of public office, would you vote for or against the opening of impeachment proceedings against the president?

Categories	Chamber		
	Total	Senator	Deputy
In favor	59	38	62
Opposed	11	8	12
Awaiting final results of the CPI	11	17	10
CPI does not have authority to judge	2	4	2
Other responses	3	4	3
Don't know	8	17	7
Did not want to answer	6	13	5

Survey Methodology

This poll was conducted between 6 and 10 June by contacting 439 legislators either personally in offices in the Congress building or by telephone. DataFolha is directed by sociologists Antonio Manuel Teixeira Mendes and Gustavo Venturi, with Emilia de Franco and Mauro Francisco Paulino assisting. Supervising the work were Wilson Aghanatios Chammass and Cristina Galve Gerez. Statistician Renata Nunes Cesar was in charge of data processing.

* IBGE Surveys Scope of Informal Economy

92SM0480B Sao Paulo GAZETA MERCANTIL
in Portuguese 9 Jun 92 p 6

[Article by Rio correspondent Vera Saavedra Durao]

[Text] Out of a total of 62.1 million persons employed on the Brazilian labor market, according to data from the 1990 national survey of a sample of residences (PNAD/90) conducted by the Brazilian Institute of Geography and Statistics [IBGE], 30 percent, or 18.6 million, work in the informal sector. They make up the army of peddlers, street-corner windshield washers, part-timers, proprietors of seaside food stalls, open-air market workers, and other providers of services who live outside the protection of labor law.

This contingent of informal workers has swelled, particularly in the past two years. During this period, the percentage of employees "on the books" dropped from 59 percent to 52 percent.

IBGE President Eurico Borba has been asked by Minister of the Economy Marcilio Marques Moreira to do surveys to measure the current size of the informal sector of the Brazilian economy. The latest official figures on this country's "underwater" economy—a broader concept based on tax evasion as a whole—is anchored on the 1980 population census. At that time, it was found that "unregistered activities" in the economy corresponded to 13 percent of GDP. Given a GDP on the order of \$400 billion in 1991, this would be about \$52 billion, roughly equivalent to the real product of Peru. Whether this percentage has risen or fallen is what the study now underway at IBGE will attempt to discover.

Claudio Considera, former head of the department of national accounts at IBGE, does not think the figure measured by the 1980 census will increase very much. "The trend has been for the extent of informality to decline as the economy becomes more institutionalized," the economist commented. In his view, an army of street vendors is not economically significant vis-a-vis a corporation, and he backs up his argument by citing results from the 1985 economic census: Of the universe of 1.2 million companies existing in Brazil, 1 million, or 80 percent, were "microempresas" [similar to a Subchapter S corporation]. "These 'micros' were responsible for 3 percent of sales revenues, but the other 20 percent accounted for 97 percent of the total," Considera noted.

IBGE plans to conduct a pilot test of its survey on the informal economy in Rio de Janeiro, where the services sector accounts for 75 percent of the local economy and industry represents only 15 percent. Farming accounts for the other 10 percent. Jane Souto de Oliveira, Eurico Borba's chief of staff, thinks the 1991 demographic census will yield very accurate information on the informal labor market because the more detailed questionnaire used with the sampled homes included questions on the position of the individuals in the activity, the workplace, and the number of persons in the establishment.

The survey will not cover only the visible part of the "underground" [preceding word in English] part of the economy, such as the vendors that crowd the streets of major urban centers, it is also aimed at "backyard employment activities" and the like. IBGE's goal is to provide the minister of the economy with a better understanding of the informal Brazilian economy before the year is out.

The government's intention, as the IBGE president explained in a recent interview, is to find ways to enable these informal activities to emerge from the shadows and thus prevent leakage of revenues.

In the opinion of Jorge Oscar de Mello Flores, president of the Getulio Vargas Foundation and a specialist on the informal economy, whether a substantial portion of this economy does emerge depends, on the one hand, on elimination of its main causes—excess government controls and a heavy tax burden. It also requires the creation of certain conditions by the government, such as a spirit of responsibility, austerity, ethics, and respect for authority that could convince the great majority of less-recalcitrant informal workers to join the transparent economy out of a desire for assimilation, or out of "fear."

Colombia

President To Issue New Measures on Unrest

PA2307180192 Santa Fe de Bogota Inravisio
Television Cadena 1 in Spanish 1630 GMT 23 Jul 92

[Report by Guillermo Gonzalez]

[Text] Attention, last minute news from Narino Palace. President Cesar Gaviria Trujillo and several of his ministers are still meeting in the presidential palace. It has been learned unofficially that the government once again could decree a state of internal unrest to handle the public order situation that is taking place in the Envigado Prison area of Medellin.

[Begin Gonzalez recording] All necessary measures will be taken, with serenity and without weakness. [end recording]

According to information from Narino Palace, a package of new measures will be issued in the next few hours in an effort to resolve the difficult public order situation that is taking place near Envigado prison and, in general, all over the national territory.

Escobar on Conditions for Return

PA2407000292 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2255 GMT 23 Jul 92

[Text] Attention, this is a report from Caracol Network in Medellin. Pablo Emilio Escobar Gaviria, the fugitive leader of the Medellin Cartel, on 23 July announced from the Colombian jungle that there will be no acts of violence. He specified as a condition for his surrender that he be allowed to stay in Envigado prison but under the control of special UN forces.

Escobar, who escaped at dawn on 22 July from the maximum security La Catedral Prison in Envigado along with nine of his men, explained the circumstances surrounding his escape. In a communique he sent to all Medellin media, Colombia's most wanted man said:

Pablo Escobar Gaviria and his companeros report to the people: As a result of our surrender to justice, the government committed itself to protect our safety, be responsible for our lives, and not remove us from the Envigado prison for any reason and under any circumstances.

At the Envigado prison a camera films all those who enter and leave, 24 hours a day. There is a Department of Administrative Security [DAS] post where the fingerprints of those entering the prison are registered. There are four Army check points and two national and municipal guard check points. Not pleased with the repressive security measures imposed at the prison for the past year, the government appointed a DAS director as prison director. Still not pleased, the government decided to build a cage to keep us under inhuman conditions.

We opposed this construction because it reduced prison grounds to less than a third of the number to which we were entitled in keeping with previous agreements, and because the proposed grounds reduction placed our security in serious danger in view of commando unit and bombs threats.

The communique adds: Fifteen days ago, through direct talks with the prison director, we reached a formal agreement by which we agreed to yield more than half of the territory and our rights to allow the start of construction of new security systems. On the afternoon of 21 July the deputy justice minister, prison director, and 4th Brigade commander showed up at the prison doors with an unusual number of troops. This alarmed the prison population and its personnel.

When the director was consulted, he told us this was a surprise visit to conduct a search. Since midnight was approaching and the officials had not entered the prison to conduct the search, we asked to see the prison director for an explanation. The deputy minister and prison director entered and told us the search would be conducted later. When they decided to leave the place in a hasty and suspicious manner, I decided to detain them because I thought their presence inside the prison would be the only guarantee of our safety.

We tried to contact the presidency to obtain an explanation and settle the conflict, but we received no reply. At that very moment the government issued a communique announcing our imminent transfer to an unspecified place, and argued the security of the facilities as the sole reason for the transfer because of the construction to modify its security system.

We found that argument very strange because workers and materials have moved about the Envigado prison since the very day we surrendered to Colombian justice. After 0700 on 22 July the Army entered the prison violently and fired indiscriminately at guards and inmates. I told the deputy minister that even in the worst moments his life would be respected, although he insists on saying the contrary.

We, John Jairo Velasquez Vasquez and Pablo Escobar Gaviria, assume before the Colombian people and justice absolute responsibility for holding these officials. The companeros and guard currently being detained by military authorities at undetermined sites did not participate in this. The inmates were not recaptured, as the government officially reported, because they did not flee from the prison. They did not have the physical conditions to do so.

After these new developments transpired at the prison, the government issued a new communique that was totally different from the first one, making different arguments on the reason for our transfer. It stated that, apparently, Pablo Escobar had ordered criminal activities from the prison, as if I were obliged to assume responsibility for all illegal activities committed in Medellin.

The second communique also argued that people with criminal records had entered and left the prison. This is openly contradicted by statements made to EL TIEMPO on 19 July by the prisons director confirming the non-existence of irregularities and the prison's correct management.

In response to the attack we endured we will for the time being refrain from carrying out any sort of violence. We are willing to continue the peace process and subject ourselves to justice if our stay in the Envigado prison is guaranteed officially and UN special forces are allowed to control visits and exert external control over the prison.

Government on Escobar's Escape

PA2407051692 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0425 GMT 24 Jul 92

[Text] The national government has stated it does not have any evidence concerning any possible irregular departure by Pablo Emilio Escobar Gaviria, chief of the Medellin Cartel, from the prison from which he escaped on 22 July. Answering questions to this effect, the Presidency of the Republic said that more rumors are

circulating in Colombia concerning Escobar than any country has ever experienced before.

The government does not have any evidence that Escobar left the prison during the time he was confined there. The government added that if Escobar escaped, it was because he took advantage of an operation that sought to prevent him from continuing criminal activity and to make sure he would be subject to a normal imprisonment that would provide guarantees to both the prisoner and to the government and society.

The government reiterated that, after it was sure Escobar was engaging in criminal activities and had the complicity of some guards, it decided to have the military take control of the prison and its grounds.

In view of the information provided by the district attorney that criminals were entering and leaving the prison, the risk of Escobar's escape became evident. That is why the government decided to order the army to take over the prison, the Colombian Government replied to those Colombians who doubt its motives.

The national government announced that a thorough investigation is under way to determine if there are tunnels in the Envigado prison. In a communique, in which it answered 16 questions the media have on the events that led to Escobar's escape, the government said it is trying to get information about the presence of gas masks and radio telephones in the prison.

Justice Minister Andres Gonzalez is in charge of investigating the La Catedral Prison guards who are allegedly involved in the escape. A few hours ago the guards were suspended from their jobs. Investigators are trying to determine if there was any complicity with the prisoners and to clarify who was appointing and changing the guards. The government has entrusted the Justice Ministry with the investigations. The Justice Ministry will have to present a report on its findings.

Further on Escape

FA2407053292 Paris AFP in Spanish
0343 GMT 24 Jul 92

[Text] Santa Fe de Bogota, 23 Jul (AFP)—The Colombian Government on the night of 23 July released a five-page communique answering 16 questions the media have on how Medellin Cartel Chief Pablo Escobar escaped on 22 July from prison in Envigado.

The explanations contained in a communique from the Presidency of the Republic can be summarized as follows:

—President Cesar Gaviria said that Escobar was still at the prison at 0300 on 22 July. Apparently, Justice Deputy Minister Eduardo Mendoza, who was a hostage of the rebel prisoners for several hours, had been with him 90 minutes before.

The rest are assumptions and rumors.

—The possession of weapons, different from those taken from the guards, who had four Uzi submachine guns among their regulation weapons, in the hands of the rebel prisoners has not been ruled out.

—There was military surveillance outside the prison at all times and it was reinforced during the day and the evening of the riot, when the prisoners were to be notified that they were going to be transferred to another place and the installations were going to be turned over to the army. The deputy minister of justice and the prison director entered voluntarily to inform the inmates of the measures.

—At all times as of the afternoon of 21 July, the president; the ministers of justice, government and interior, and defense; the Armed Forces commander; and other Security Council members coordinated their respective responsibilities in the incident.

—The justice minister will report to the country on the decisions he has made with respect to the conduct of the prison guards (who apparently fired to prevent the troops from entering). The irregular manner in which the prison guards may have acted is under investigation.

—The president did not want to make public (eight hours after the crisis began) information provided by the attorney general that would have reportedly been vital in the process of making decisions pertaining to the prison. This information was made public once activities at the penitentiary started and after the attorney general gave his permission.

—The government reaffirms that so far no evidence exists concerning tunnels leading out of the Envigado prison. There are only rumors and theories to explain how Escobar escaped. However, an extensive search is being conducted in the vicinity of the prison.

—The government said it lacks enough information to comment on the origin of a radio telephone that one of the captors, known as "Popeye," reportedly used to issue instructions to terrorist command units in Medellin.

—There is not enough information to explain the alleged presence of gas masks in the prison, which were reportedly seen in the hands of Escobar and the nine henchmen who accompanied him in his escape by kidnapped prison director Colonel Hernando Navas.

—The 4th Army Brigade's mission on 21 July was twofold: Take control of the prison and move Escobar to a military installation. In view of the uprising, the operation was aimed at protecting the lives of the hostages and restraining the inmates.

The operation was successful in the sense that the hostages' lives were spared but unsuccessful because Escobar and nine of his henchmen escaped. The prison was surrounded by the army at all times in preparation for any escape attempts by Escobar.

- The information that a group of people kidnapped in Medellin (some of whom were found dead later on) had been taken to the Envigado prison to be questioned by Escobar prompted the Security Council to order the Army to take over the penitentiary.
- The Justice Minister is conducting an investigation and will answer questions on the complicity of the guards with the inmates, their appointment and selection, and alleged permits for entry to the premises through the main gate or other points of entry granted to well-known criminals.
- The largest number of rumors possible have been spread concerning Pablo Escobar. The government has no evidence that Escobar left the prison during the time he was being held there (to celebrate his birthday last month, as it has been rumored.)
- If he escaped, he did so by taking advantage of an operation, the objective of which was to prevent him from committing more crimes and to ensure him a normal confinement, which could provide guarantees to inmates as well as to the government and society.
- The kind of weapons or explosives used during an operation of this type is a decision left to the person in charge. The government has no reason to doubt the truthfulness of the statements made by the deputy justice minister (in that there were many explosions and shooting, unnoticed by journalists who were standing not far from the penitentiary). In addition, the government has no reason to doubt the statements contained in the reports submitted by the military officers who led the special forces.
- The risk of Escobar's escape became evident following a report submitted by the Attorney General's Office that said that criminals entered and exited the prison. That is why the decision was made to order the army to take control of the prison.

Defense Ministry Denies Roca Attacked in U.S.

PA2207220992 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2120 GMT 22 Jul 92

[Communique issued by the Defense Ministry in Santa Fe de Bogota on 22 July; read by Colonel Eduardo Arevalo Castaneda, Defense Ministry public relations chief]

[Text] The Defense Ministry hereby informs the public that news reports that appeared on 21 July and 22 July are totally false. Those reports stated that an attempt was made to assassinate General Luis Eduardo Roca Maichel, the commander of the Military Forces, who is undergoing medical treatment in the United States.

After consulting with the U.S. Embassy in Colombia, it was confirmed that no attempt whatsoever has been made to assassinate Gen. Roca Maichel, who is recovering from a recent illness, as the public well knows.

President Endorses Separate Talks With Rebels

PA2207200792 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 15 Jul 92 p 8A

[Text] The nation has heard two different reports in a matter of hours concerning President Cesar Gaviria's position on the peace process. The first report, published by EL TIEMPO, said the president rejected an alleged separation of peace dialogues proposed on 12 July by Peace Adviser Horacio Serpa Uribe in an address to hundreds of peasants at the parish hall in Uribe, Meta. The second report said the head of state fully endorses separate talks with each of the three movements still up in arms.

Gaviria's alleged refusal to sponsor one type of peace with the FARC [Revolutionary Armed Forces of Colombia], another with the EPL [Popular Liberation Army], and another with Francisco Caraballo's men implied a crisis would erupt within the Presidential Advisory Office for Peace and that Horacio Serpa Uribe would resign. Even Narino Palace officials started their work day on 14 July thinking this would happen.

Anyone who read the president's statements published on the front page of EL TIEMPO's 14 July edition thought he had refuted Serpa Uribe's 12 July announcement that the government reportedly advocated separate peace talks with the FARC, the ELN, and Francisco Caraballo's group.

According to EL TIEMPO's version, Gaviria said: What peace adviser Serpa did was state his personal views, rather than a government proposal, on the possibilities of holding peace talks and achieving positive results.

According to EL TIEMPO, Gaviria "said the Executive Branch has not considered the possibility of resuming talks with the Guerrilla Coordinating Board."

Political groups and the media interpreted the president's statement as a clear denial. They believed it unavoidable that Serpa Uribe would resign and dedicate himself to the organization of Ernesto Samper's presidential campaign.

By mid morning on 14 July, Narino Palace issued a communique to warn that after "learning and analyzing Dr. Horacio Serpa Uribe's position—which he stated at a recent forum in Uribe—the president endorses the proposal because it fully interprets the national government's peace policy."

The document specifies "there is no contradiction between the presidential guidelines and the efforts being made by the presidential advisory office for their implementation."

During the 12 July forum at Uribe, Serpa Uribe read a speech in which he mentioned a certain official inclination "to study the proposal for separate talks with each of

the groups, without trying to disrupt the concept of the existence of a coordinating board for the subversive movements in Colombia."

He also lambasted the guerrilla groups and demanded from them "wisdom, realism, and true love for the homeland."

* Current Status of Insurgent Conflict Analyzed

* Prospects for Resolution

92SM0499A Santa Fe de Bogota EL ESPECTADOR
in Spanish 21 Jun 92 p 4B

[Article by Eduardo Pizarro, director of the Institute for Political Studies and International Relations of the National University of Bogota]

[Text] Both the Armed Forces and the CG [Guerrilla Coordinating Board] are preparing for a confrontation. For the present, the political aspect has yielded its space to the military one. What led to this situation?

The Internal Crisis in the CGSB

Coexisting within the FARC [Revolutionary Armed Forces of Colombia] and the UC-ELN [Camilist Union-Army of National Liberation] are two tendencies, demarcated by their view of the role of the negotiations with the state. On the one hand, there are the majority sectors, which, though they lack sufficient political representation in the top leadership, consider the negotiated solution a possible alternative to armed confrontation if favorable terms are offered.

And on the other hand, there are minority factions, which, however, have majority control in the leadership of both organizations and which have definitely not given up their military plan for access to power. To these latter sectors, the negotiations merely represent space for achieving political visibility.

Despite the existence of these two tendencies, both the one considering the military role absolute and the one deeming it relative agree that this is not the most appropriate time for negotiations. In the view of both sectors, those that are militarists at all costs (for example, the UC-ELN Domingo Lain Front), and the moderate segments (headed by Alfonso Cano of the FARC), this is the time for steadiness in the military area. In other words, there is a tactical consensus among both tendencies, despite their strategic difference concerning the military's role.

First of all, their reading of El Salvador has prompted them to seek a balance with the military forces, so as to negotiate in the future from a position of strength. And, secondly, economic openness, with its high social costs, at least over the short term, has prompted them to believe that the government's legitimacy will tend to weaken, to the benefit of the CGSB [Simon Bolivar Guerrilla Coordinating Board].

Besides this difference regarding the military role, it is essential to make a distinction among the three components of the CGSB:

There is the miniscule dissident EPL [Popular Liberation Army] faction, which, since the reinstatement of 90 percent of its former members, consists of two types of fronts: the smaller ones, which retain a political discourse but have become mere war machines, in view of their total lack of social support bases, and the larger ones, which have undergone a total criminal degradation. Little can be expected of an organization that has lost its political compass and has become merely an obstacle, a dead weight, in the negotiation process.

As for the UC-ELN, the situation is highly complex because of the increasing subordination of the moderate sectors to the militarist tendencies. This situation led to the expulsion of the so-called Socialist Renewal Movement from its ranks, because of the latter's insistence on seeking an immediate negotiated solution to the conflict. Day by day, the UC-ELN is tending toward homogeneity created around the sectors that are more ideologically backward, more intolerant, and more incapable of understanding political dynamics.

Finally, the situation existing in the FARC is replete with ambiguities. It is still unquestionably the organization most sensitive to politics among the three CGSB components, and therefore, it is the one most concerned about maintaining a minimum of legitimacy among the citizens.

Its most severe problem is the deep-seated identity crisis besetting the communist family. What plan can it engineer after the collapse of the socialist camp? Added to this ideological crisis is the absence of a real internal leadership. Neither Manuel Marulanda nor Alfonso Cano has achieved a genuine internal unanimity. Jacobo Arenas's agglutinating role has not been filled. These factors have led the FARC into a state of subordination to the UC-ELN, which, owing to its greater cohesiveness, has determined the CGSB's direction for a long time.

Nevertheless, the exacerbation of economic sabotage and the heightening of urban terrorism on the part of the UC-ELN's "people's militias" will unquestionably distance the FARC from the ELN. To the former, more sensitive to the social costs of terrorist acts, these actions, which isolate them even more from the population, are unacceptable. To the latter, who claim to be historically correct, the sensitivity of public opinion is irrelevant.

In short, it is not considering the CGSB nor its individual components as homogeneous entities that makes it possible to expect that, at least over the midterm, another attempt at a negotiated solution with leading sectors of these organizations is not to be precluded.

Gaviria: The Sun at His Back

But what is happening to the other component in the negotiations? Insofar as the state is concerned, its margin for negotiation is currently very slim, for several reasons.

On the one hand, its reformist capacity has been gradually declining. The political reform, at least in its general features, has already been embodied in the new Political Constitution of 1991. And potential economic reforms, such as an agrarian or urban reform, are met with a state exhausted in the financial area and with meager resources that would enable it to summon a national consensus. The present government, for whom the sun arrived at its back before it was anticipated, can hardly have sufficient boldness to mobilize major reforms, generating a national accord.

While the demobilized guerrilla groups (M-19 [19 April Movement], Quintin Lame, PRT [Revolutionary Workers Party], and EPL) had sufficient space in the constituent body to materialize some of their old doctrines, the present groups in the Coordinating Board do not have similar space available. The quarter of an hour of reformism has now elapsed. There is no national consensus plan on the horizon that could lead to a government-guerrilla accord.

Moreover, Horacio Serpa Uribe's imminent retirement as presidential counselor for peace leaves the government faced with a difficult dilemma, given the stature of the one resigning. The government played a very high card, and its failure is too costly.

If it decides to appoint a less important figure as the new counselor, this decision could be interpreted as a waning of the government's interest in this counselor's office. But, at the same time, how can it maintain the same profile in the counselor's office when the deterioration of the peace process is obvious?

The Impact of the Confrontation

During this phase, it is essential to change the order of priorities. Peace is becoming a maximum objective, and a reduction in the intensity of the conflict has become an intermediate objective and the only one possible in this period. Therefore, it is indispensable to study some expedients that would make it possible to reduce the costs of an inevitable military confrontation.

First, it is necessary for the strategic spokesmen (guerrillas and the state) to make room for other complementary participants and agencies in negotiations and coexistence. The overinstitutionalization of the peace process, confined to a single site (Venezuela or Mexico), with limited participants, has proven to be a costly error. Its failure has left a process vital to the country in a total vacuum. And, above all, it has reduced the national doctrine that should be mobilizing the country's energies to the "arm-wrestling" capacity of a few negotiators. The Democratic Coexistence Commission, in the negotiations with M-19, as well as the productive National

Reconciliation Commissions, which played a crucial role in Central America, should be reconsidered in Colombia.

Second, even though the government is entirely correct in its rejection of the so-called regional dialogue with the guerrillas, given the governors' limited negotiating capacity, it is essential to promote regional forums.

These forums, the past effectiveness of which in many regional experiments is unquestionable, have had three advantages: They have served as a device for integrating regional community leaders into the peace process; they have served as a device for pressure and protest against the guerrilla activities, and they have succeeded in imposing implicit accords for the easing of regional tensions upon the guerrillas. Deactivating severe conflicts in strategic zones would be a key device for reducing the intensity of the confrontation during this phase.

Third, in view of the limits and exhaustion currently evinced by the Peace Counselor's Office, wouldn't it be feasible to explore the possibilities of international mediation? This is not an attempt to internationalize the conflict, but rather to internationalize the solution to the conflict. Who could question the enormous effectiveness of the United Nations' role in the Salvadoran situation?

Fourth, it is essential to begin clearly distinguishing the peace process from the negotiations with the guerrillas, in both the realm of public policies and in the eyes of the public.

The former covers a broader spectrum of activities: the consolidation of political modernization, the reduction of the social costs of economic openness, the appropriate reinstatement of the guerrilla fighters from M-19, EPL, PRT, and Quintin Lame, the reinforcement of the jurisdictional branch, etc. The latter is tenuous, and its failure should not be used as an argument to cancel policies that are essential for continuing to improve political and economic democracy in Colombia.

In other words, canceling negotiations with some guerrilla groups does not mean considering the peace policy terminated. This is especially true if, during the coming months, the division within the CGSB becomes deeper, and the paths to a negotiated solution with another segment of the guerrillas are reopened.

Unlike other international experiences, peace achieved in portions and stages will continue to be the model for resolving the Colombian conflict.

* Background on Arrest Warrants

92SM0499B Santa Fe de Bogota EL ESPECTADOR
in Spanish 21 Jun 92 p 4B

[Article by staff writer Ma. del Rosario Arrazola]

[Text] 21 March 1992: The commander of the military forces, Luis Eduardo Roca Maichel, declared: "There is an

imperative need, if it is a case of defendants in absentia, to try the commanders of the guerrilla groups involved in crimes of terrorism, kidnapping, and extortion."

25 March 1992: The minister of defense, Rafael Pardo, remarked: "I would like to see arrest warrants issued for the guerrilla leaders, the drug traffickers, and all the bandits who have been moving around this country."

19 May 1992: The minister of justice, Fernando Carrillo Florez, went much further: "The judges investigating crimes committed by the guerrillas in Colombia are ordering peremptory deadlines for punishing the commanders of those organizations for their attacks on the civilian populace and the oil and energy infrastructure."

These three apparently isolated statements were the real origin of the arrest warrants issued last week by a judge of public order against the top echelon of the FARC [Revolutionary Armed Forces of Colombia], causing enormous agitation in the country.

Furthermore, they are part of a plan devised by the Colombian state, the end goal of which is the defeat of the guerrillas in the military, political, social, and judicial areas.

After a year of talks, the peace dialogues were not producing any results. Moreover, the process that was suspended last week did not even succeed in bringing the parties to an agreement on the agenda.

In addition, the international scenario was giving the guerrillas a leadership, considered by some to be unnecessary, that was serving as a platform for them to regain a space that they had finally lost because of the explosions of oil pipelines, kidnappings, blackmail, and damage to the civilian population.

In the same manner, the military operations mounted to combat subversion would not, over the short term, inflict a resounding defeat on the armed rebel groups. Hence, strong action was required to refute the subversives' arguments in the eyes of the country.

Thus, the government had recourse to the judicial platforms. The battle could be won there, and a considerable advantage could be gained over the guerrillas in practical terms and with effects on public opinion. In fact, the arrest warrants had been in the planning stage about three months earlier. After General Roca Maichel's letter, the Office of the National Prosecutor General began visiting the courts in which proceedings were being conducted against guerrilla commanders. It was discovered that, although the charges were countless, there was insufficient evidence to convict or indict the subversives.

In view of this situation, the Army, as well as direct victims of the insurgents' attacks and actions, began providing the necessary evidence.

According to opinions obtained by EL TIEMPO, this was the first time that the legal and military sides sat

down to work on the real "key," without forgetting, of course, the endorsement from the national government. Furthermore, there was a circumstance that could not fail to be used to their advantage: the good times that the judges were experiencing. Their recent acts had been relatively successful, and they appeared to have a high degree of credibility in the public's eyes. There was an impression that justice was finally being done.

Hence, General Roca Maichel's letter had its intention, receiving full support a few days later from the ministers of defense, interior, and justice. At the Interpol meeting in Paipa, the latter minister ventured to set "peremptory deadlines" for judicial action against the guerrilla chiefs.

Moreover, the letter in response sent by the national prosecutor general to the commander of the military forces paved the way for last week's decision.

He asked the high-ranking officer to pool efforts so as to "progress in the search for alternatives, which, in the light of the laws in effect and within the framework of the constitutional state, will make it possible to try those responsible for the countless punishable acts committed or those that may be committed in the future."

And, in the following paragraph, he brought up the greatest obstacle confronting the judges. "The lack of valid probatory evidence with which to try the guerrillas has become one of the main difficulties impeding decisions in the proceedings held for extortion, kidnapping, rebellion, and aggravated homicide." And thus, the arrest warrants were issued.

* Forum Addresses Problems Facing Tolima Farmers

* Agrarian Reform Evaluated

92SM0495A Santa Fe de Bogota EL ESPECTADOR
in Spanish 16 Jun 92 p 12A

[Article by special correspondent Oscar Gutierrez]

[Text] Armero-Guayaba, Tolima—"We peasants and Indians of Tolima number more than half-a-million people whose opportunities for social, economic, political, and cultural development have been retarded." That claim was made by the rural associations in this section of the country that, throughout history and various governments, have been demanding to be provided with land, water, credit, basic services, and technology. Yet their aspirations have not been met.

The assertion is contained in the introductory part of a document submitted to the minister of agriculture, Alfonso Lopez Caballero, and to the national boards of directors of Incora [Colombian Institute of Agrarian Reform], Finagrario [Agricultural Financing Agency], DRI [Integrated Rural Development Program], PNR [National Rehabilitation Plan], Agricultural Credit Bank, and Himat [Colombian Institute of Hydrology, Meteorology, and Land Improvement (of the Ministry of Agriculture)], among others. This occurred during the

peasant forum taking place in Armero-Guayabal, which was heavily attended and marked by more than one controversy. The latter were evoked by this forum's alleged similarity to other meetings that have brought meager results.

Landholding in Tolima, a department with more than a million inhabitants and described as the agricultural heartland of Colombia, has been typified by its socioeconomic stagnation, especially in the rural areas. Added to this problem is the lack of rainfall and shortage of water for crop irrigation, as well as the absence of credit for production, technical assistance, marketing, training, and peasant and Indian organizations.

Illiteracy and Small Farms

The document maintains: "In the rural areas, contrary to the DANE's [National Administrative Department of Statistics] figures, real illiteracy exceeds 50 percent. Furthermore, 83 percent of us peasants are small farmers and small landowners, whereas the medium and large landholders, totaling only 17 percent, own farms with more than 21 hectares."

Similarly, the document claims that these data pertain to "125,918 landholders who own 1,849,200 hectares: in other words, 78.4 percent of Tolima's territorial area."

The foregoing means that 15.7 percent of the landholders own 79.1 percent of the land, while the remaining 84.3 percent hold only 21 percent of the area. "This polarization in landholding has been drawing a socioeconomic map, making it obvious that we peasants and Indians in Tolima are left in poverty."

The regional poverty factor becomes more evident in the southern part of the department, where, as an alternative for its development, it has become necessary to construct the "Tolima Triangle." This project would recover more than 30,000 hectares, benefiting a population exceeding 15,000 families, thus converting that region into one of the country's largest agricultural and livestock suppliers.

Poverty and Violence

Agrarian reform has been insignificant during its 30 years of activity in Tolima, as proven by these statistics: 77,636 hectares have been acquired for 4,591 families, based on an approximate investment of 5 billion pesos.

This means that agrarian reform has reached only 0.44 percent of Tolima's peasants and shows that the department has a serious structural problem, which is unquestionably the origin of its poverty and violence.

In a dialogue with EL ESPECTADOR, spokesmen for peasant and Indian organizations pointed out: "An attempt has been made to divert attention from agrarian reform, claiming that the Indian sector is the one that has solved the land problem. In this regard, it must be explained that, during the 30 actual years of reform, the natives have received only 13,000 hectares for 2,593 families, in 23 communities, that is, an average of five

hectares per family. This indicates that the small farm has not been eliminated, and that only 21 percent of Indian families have benefited."

The document describes the state as inefficient in implementing the agrarian policies. This is associated with the stagnation of agrarian reform, and the political disorder that it has been attempted to entrench in Indian and peasant communities, impeding the genuine emergence of culture and development in the rural sector.

They declare that "there is no equitable land distribution, but rather a marketing of it." They claim that "those who decide whether land acquisition is feasible or not are the large estate owners themselves, and they have the last word in the sectors with power. On the other hand, we members of the peasant and Indian organizations, who have been present on the decision-making scenes, have merely been silent guests. That is why we are calling for active participation."

Disapproving of the agrarian reform model established by the government in office, the peasants and Indians propose trying a different type of political action, in which the decision-making would not be unilateral for the government. Rather, other sectors affected by any reform process would participate in it.

They demanded that "conciliation and dialogue processes be established through the regions or municipalities, to deal with the problems related to landholding. This process should have the peasant and Indian organizations and the landholders as leaders and the government as a moderator."

They also requested that the PNR and agrarian reform areas of influence be maintained and expanded, that the DRI programs be reinforced, and that the departmental government's Decree 00390, which prohibits mayors from taking office in the new Indian town councils, be repealed.

Response From Incora

Incora, the promoter of this peasant forum through its general manager, Fernando Corrales, stated that it agreed with the need for community participation in the decisions affecting or benefiting it. It also made several announcements, including that of the allocation of land for 1992.

This allocation would be as follows: 3,112 hectares to benefit 180 families, at a cost of 1.55 billion pesos. For the Indian communities, 3,000 hectares to benefit 590 families, at a cost of 372 million pesos. As for uncultivated land, it calls for the granting of 602 titles, covering an expanse of 6,000 hectares.

In view of the dissent, questions are arising that call attention to the need for solving the regional problems.

However, the debate that took place during the peasant forum in Armero-Guayabal concluded its first session

with one clear observation, which has become a catchphrase, expressing a grievance that will hopefully be eliminated in the near future: "We peasants and Indians are tired of so many promises, because we are always told the same thing, but the promises are not kept."

* Credit Availability Disputed

92SM0495B Santa Fe de Bogota EL ESPECTADOR
in Spanish 18 Jun 92 p 14A

[Article by special correspondent Oscar Gutierrez]

[Text] Armero-Guayabal—Many peasants and Indians have unpayable debts and risk losing their land, because of an erroneous financial concept and the lack of technical assistance from the state. The foregoing is based on a widespread complaint: There is no comprehensive agrarian reform.

The peasants and Indians have been given land, sometimes of poor quality and unproductive; but without real, well-defined programs for financing small farmers, insofar as production, property improvement, and housing are concerned.

Hence, during periods like the present, when weather problems are occurring and there has been a drop in prices of the harvested products, the peasants and growers are on the brink of losing their land. They also face a lack of marketing and are left in debt to the financial entities.

Credit Benefits

"We still don't know how Finagro [Agricultural Financing Agency] operates, nor the conditions for obtaining its credit benefits," claim the farmers who, for this reason, have described the entity as "the end of agriculture" [a play on words: "fin-agro"].

Regardless of the severe criticism, the head of Finagro, Fernando Palomino, claimed that there was disinformation and that the credit objectives were geared to rural development, with emphasis on the small-scale peasant and farmer.

"There is a financial appropriation of 215 billion pesos to meet the needs of agriculture in 1992," the official maintained. "This money will be channeled through the financial intermediaries to all lines of production, marketing, and long- and medium-term investment. This credit is available to all of the country's peasants. It is plentiful and is currently the largest budget item." At the same time, he admitted that there were difficulties in gaining access to this credit. He reported that to make this process viable the national government and the Ministry of Agriculture were planning the creation and establishment of the Agricultural Guarantee Fund, which should start operating during the next six months.

This fund is designed to serve the beneficiaries of agrarian reform, in particular, and Incora [Colombian Institute of Agrarian Reform] will participate with

resources, advice, and information for those who are beneficiaries of the reform and require credit.

The general question as to whether Finagro is a factor for progress, rather than a step backward, with respect to credit remains open.

Also announced was a publicity and training campaign to explain what Finagro is, as well as the mechanisms for trouble-free access to the credit plans.

Peasant Bank

Nevertheless, given the countless criticisms of the bureaucratic red tape that makes access to agricultural credit expensive and limited, the industry's unions propose, as an alternative solution to the problem, the creation of a peasant bank that would give an impetus for the peasant community's production and economy.

Meanwhile, Santiago Tobon, manager of the Agricultural Credit Bank, confirmed that the entity for which he is responsible will be reactivated. It will apply 60 percent of the Finagro funds to peasant credits and will become the backbone of financing for small- and medium-scale farmers.

The spokesman for the rural sector remarked: "Unfortunately, we must conclude that the marketing and commercialization systems tried to date have proven insufficient, and the absence of planning has brought about disorder and a lack of efficient handling of prices."

They also criticized Idema [Agricultural-Livestock Marketing Institute], because, "for a long time it has not responded to the rural area's enormous needs." Nor is there a promotional agency to really address the need for a commercialization and marketing process that would regulate and support prices in the peasant economy.

Penetration Roads Lacking

Other shortcomings hurting marketing are the lack of roads, the inadequate transportation systems, the inefficient administration of cooperatives, the lack of crop insurance and product subsidies, and the irresponsibility in controlling quality, prices, weights, and measures.

"Even though Tolima is not on the border, the free trade agreement with Venezuela will benefit all of us, because it represents a privileged sales location for our agricultural and livestock products." This comment was made by Minister Lopez Caballero, while discussing the topic of agricultural-livestock marketing and commercialization.

It is as important to solve the credit problem as it is to standardize marketing and commercialization processes to guarantee favorable prices and sales locations. This is because there are production areas in which harvests are lost owing to the high cost of transportation to sales locations.

Another obstacle is that the agricultural-livestock sector requires, besides land, water, and credit, a comprehensive support that will afford small- and medium-scale growers access to a living standard of higher quality and with less risk. And the complement that will make it possible to improve the situation must lie in the areas of housing, drinking water, sewerage systems, penetration roads, electrification, health, education, and technical assistance.

The agricultural communities want the public service programs to be implemented in cooperation with the rural organizations, so that people from the sector may be trained and used. This will result in a better quality service.

Amid the anxiety and incredulity in which the peasants and the natives are living, one still observes a patriotic desire for integration and a desire to work for development in peace with nature.

[Box, p 14A]

Deterioration of Natural Resources

Southern Tolima resembles a desert more than a territory for the habitat of human beings. Many springs have disappeared; streams and rivers are dry in summer, and the little water remaining is polluted and becoming increasingly less fit for human consumption.

Another scourge deteriorating the natural resources is the growing of poppies because the woods on the open plains are being felled in order to use the soil for the clandestine growing of this new crop. Then there is another impact on the environment, namely, fumigation with glyphosate, a substance that has evoked repudiation from the communities, which have seen the gradual emigration of their residents.

The peasant and Indian organizations, whose source of income is based on agriculture, charge: "Consistent, immediate policies are required to stop the destruction of the environment and to recover the renewable natural resources."

"Water, water!" was the shout, in unison, from those attending the peasant forum in Armero-Guayabal, when the address by the general manager of Himat [Colombian Institute of Hydrology, Meteorology, and Land Improvement (of the Ministry of Agriculture)], Jorge Ramirez, was announced. He responded calmly with the welcome news of guaranteed construction of the irrigation district for the region, covering 11,000 hectares in northern Tolima.

EL ESPECTADOR determined that there is a financial outlay of \$1 billion available, which has been allocated for the recovery and construction of irrigation districts.

Peru

Prime Minister Returns From Spain

PA2307123492 Lima Radio Programas del Peru
Network in Spanish 1200 GMT 23 Jul 92

[Text] Council of Ministers President Oscar De la Puente Raygada returned from Spain at approximately midnight on 22 July.

De la Puente, who planned to represent the Peruvian president at the Ibero-American Summit, departed from the airport without making any statements to reporters.

Explosion Damages Building in San Borja

PA2307131392 Lima Radio Programas del Peru
Network in Spanish 1230 GMT 23 Jul 92

[Report by Rocio Vicente from San Borja—live]

[Text] Serious material damage has been caused to the Sol Gas building, located at corner 22 of Javier Prado and Aviacion Avenues, as a result of a car bomb explosion in the vicinity of the building, which was left totally uninhabitable. All the windows were shattered by the explosion, which demolished the car. Also, the National Museum was affected by the blast. All of its windows were destroyed. Hundreds of homes were also affected.

We will ask one of the persons here. Sir, were there any persons injured?

[Unidentified speaker] Four persons are injured.

[Vicente] Where were they taken?

[Speaker] They were taken to the Ricardo Palma clinic.

[Vicente] Are they in serious condition? Were they security guards, pedestrians?

[Speaker] Two were security guards and two were pedestrians who were at the corner of Javier Prado and Aviacion Avenues.

[Vicente] That is the latest report. Four persons were injured seriously in the car bomb explosion and were taken to the Ricardo Palma Clinic. We will return at any moment. Right now we can report that police and fire department personnel have arrived at the scene to try to clear the rubble.

Further on Bomb, Other Explosions

PA2307152192 Paris AFP in Spanish
1359 GMT 23 Jul 92

[Text] Lima, 23 Jul (AFP)—The Peruvian police have reported that a car bomb exploded on 23 July, destroying the building in which the state-run enterprise Sol Gas is located and injuring nine persons on the second day of a 48-hour "armed strike" the Shining Path imposed on Lima.

The car bomb contained approximately 400 kg of dynamite and ANFO (ammonium nitrate fuel oil). The explosion rocked the San Borja residential area in south-eastern Lima, destroying windows and doors in nearby buildings and commercial establishments.

The police reported that another car bomb, the second in two days, was defused earlier at the Camino Real Shopping Center in the financial district of San Isidro, located approximately 20 blocks from the site of the explosion.

The police also reported another incident in which a bomb activated by a rebel command partially destroyed a bus at the intersection of Grau and Abancay Avenues, after passengers had been evacuated.

Five persons died on the first day of the strike called by the Shining Path, in which there was a wave of attacks on schools and taxi drivers and an almost total paralysis of public transportation. The strike lost force on 23 July, when bus transportation was almost normal in urban areas.

In poor neighborhoods in the outskirts of Lima, a city of approximately 8 million inhabitants, the lack of transportation was dramatic.

Military and police patrols were seen stopping any passing vehicle in order to transport workers to their workplaces.

Early on 23 July, combined military and police forces occupied the Technical University of El Callao, the main Peruvian port near Lima. They arrested 50 individuals who had no identification documents, and whom the police suspected could have participated in attacks during the terrorist strike.

One Casualty Reported

PA2407013992 Lima Radio Programas del Peru
Network in Spanish 2320 GMT 23 Jul 92

[Report by Carlos Alvarado Chavez]

[Text] Three terrorist attacks in the Naranjal de los Olivos Park have left a person dead and enormous property damage. The first attack was perpetrated against a yellow Toyota taxi. Two criminals boarded it and before stepping out and fleeing at the seventh block of Naranjal Avenue, left an explosive device in the back seat, which wounded the driver's right arm and leg. The vehicle was totally destroyed. Driver Isaac Rodriguez Albuja, 49, was taken to Cayetano Heredia Hospital, where he died in the operating room as a result of a cardiac arrest because of the seriousness of the injuries and the impact of the explosion. We now have statements from an eyewitness.

[Begin recording] [Alvarado] How many people boarded the taxi?

[Unidentified Witness] Two.

[Alvarado] Men or women?

[Witness] Both were men.

[Alvarado] What happened next?

[Witness] They stepped out of the car carrying a package. They fled but the taxi driver stayed inside the car and that was when, boom, the bomb went off.

[Alvarado] What about the taxi driver?

[Witness] He was ripped apart. He lost his arm and a leg.

[Alvarado] Is he alive?

[Witness] He is alive. He was taken to the Cayetano Heredia Hospital.

[Alvarado] Who ran after the criminals?

[Witness] The people who were here, the neighbors. [end recording]

A second terrorist attack took place at the intersection of El Naranjal and Las Palmeras Avenues. A group of criminals blew up a white pickup truck with license plate no. RO2454. There were no casualties in this incident. A third attack took place against a bakery located on the 14th block of El Naranjal and (Guandoy) Avenues. There were no casualties there, just property damage. It has been reported that in a quick raid, police officers were able to arrest a woman who was allegedly involved in these latest terrorist attacks.

Attack on Air Force School

PA2407014892 Lima Radio Programas del Peru
Network in Spanish 2322 GMT 23 Jul 92

[Report by Ismael Byron Horna]

[Text] Slight property damage was inflicted by the explosion of a small device placed by alleged subversives behind the Technical School of the Peruvian Air Force [FAP], located on 320 Parque Alto Street, Surco District. We have statements by an eyewitness.

[Begin recording] [Unidentified witness] I was at home when, suddenly, I heard the bomb explode. I ran to look for my kids, who were playing outside. It turned out it was a bomb, then we discovered that we could not even go outside because there was heavy shooting. Bullets left and right.

[Horna] Did you see anything?

[Witness] I did not see anything.

[Horna] Who was shooting?

[Witness] FAP people were shooting alleged terrorists.

[Horna] Was it a heavy explosion?

[Witness] It was strong, but not that strong.

[Horna] Any casualties?

[Witness] No, no casualties. It appeared to be a warning.
[end recording]

Guidelines for Drug, Terrorist Struggles Issued

PA2307224592 Lima Radio Programas del Peru
Network in Spanish 1800 GMT 22 Jul 92

[Text] The government has established that those agencies dealing with the struggle against subversion and drug trafficking adapt their regulations to the directives of the Operational Command of the Internal Front [Comando Operativo del Frente Interno]. This will permit them to implement correctly the strategies aimed at achieving peace in the country.

Decree Law No. 25626 indicates that in the areas under a state of emergency, the political-military commands are responsible for the guidance and implementation of strategies in the struggles against terrorism and drug trafficking.

The regulations and directives issued by the agencies dealing with the struggles against terrorism and drug trafficking will be of no more than 10 days duration. These regulations and directives will be coordinated with and adapted to those of the Operational Command of the Internal Front.

Venezuela

President Perez Holds News Conference

PA2307213692 Caracas Venezolana de Television
Network in Spanish 1600 GMT 23 Jul 92

[News conference given by Venezuelan President Carlos Andres Perez at Miraflores Palace in Caracas, moderated by Information Director Roberto Giusti, with foreign reporters—live]

[Text] [Giusti] We will begin with Ludmilla Grigoroff of EL PAIS.

[Grigoroff] Good morning, Mr. President. This has been a rainy morning and we have received several international reports on other presidents who will not attend the summit in Madrid. In your case, what are your views about the Venezuelan Senate's refusal to authorize your trip to Madrid? Personally speaking, how did this affect you? My other question is: There is a proposal to create the Ibero-American Community. What advantages and disadvantages do you think there are concerning the creation of that community? Likewise, what are Venezuela's possibilities of becoming part of the community?

[Perez] I was surprised by the way you began your question. I thought you were seeking inspiration to write a poem when you talked about a rainy morning. [laughter heard in the background] Well, gentlemen, I have decided to hold a formal meeting with the foreign media each month. We did it in the past, and I wanted to do it today. It is all right for the news conference to start

concurrently with the most important event for Latin America and Ibero-America—meaning the second Ibero-American Summit, which began just today in the Spanish capital, Madrid.

I have given unique importance to the initiative adopted years ago, to celebrate the fifth centennial with a meeting of all Ibero-American heads of state. I participated in the Guadalajara Summit to settle the institutionalization of this summit, so it is held every year in a member-country of the Ibero-American community. The goal was to create an Ibero-American integration process. That is the essential goal sought by the heads of state and people in our region on this fifth centennial celebration—to leave the past behind, as it should be. That is why I regret that I was not able to attend the summit. I thought this was an incorrect decision adopted by the Venezuelan Senate, because our Constitution still has that anachronistic standard, meaning the head of state must request authorization from the Senate in order to travel abroad. That is how this was done, and I have no choice but to accept the decision—as I have democratically done.

My message to His Majesty King Juan Carlos of Spain was scheduled to be read at the beginning of the summit. In my message, I reassert Venezuela's solidarity, and I tell him the Venezuelan people and their president deplore the fact we could not attend a historical event that is opening the road to the 500-year history that ends in 1992. I am fully convinced integration will occur. The most homogeneous region in the world is the region responding to that idea of the Ibero-American community. We are a region of tens of thousands, or hundreds of thousands, of inhabitants who speak the same language, share the same history, and have no ethnic or—more specifically—racial problems. In other words, the homogeneous nature of the Ibero-American community is not shared by any other region in the world, no other nation on earth. That is the essential foundation for what we have concluded.

Latin America is a huge territory, extremely rich in natural resources, with a population of over 400 million people. From an economic point of view, this area constitutes a large market and the center of great industries. This region lies within what we might describe as the Western world and is closest to that area's development. Consequently, Latin America is certain to play a very important role in the future development of Europe, which is headed by Spain and Portugal on the Iberian Peninsula. This is in essence why Spain and Portugal are called to play an important role in the economic community and to incorporate Latin America into this great exchange, which can become a fundamentally important instrument for the development of the EEC. In addition, this Ibero-American integration can also lead to our integration into the EEC. For this reason, I attach great importance to this summit.

I am sad over what Venezuela will lose as the result of the president's absence from this meeting. Nevertheless, our people regarded the Senate's decision as a mistake. This

will prompt our political leaders and parties to ponder the importance of international politics, the relations between the Venezuelan president and the heads of state of the rest of the world, and the president's trips. I can say the Venezuelan president has not traveled abroad more often than the other presidents of the region. In addition, our trips abroad have had very significant and specific results in Venezuela's transformation process following the crisis we experienced.

[Giusti] Alfonso Navarro of NOTIMEX.

[Navarro] Good morning, Mr. President. The Government of Venezuela has said the two Colombians sought by the U.S. Department of Justice were not kidnapped in Venezuelan territory. Without attempting to make semantic considerations or to enter into a debate, I would like to know whether or not this stand by the Venezuelan Government could open the possibility for new deceptive operations by DEA or other U.S. security agencies in Venezuela.

[Perez] We fully share the stands of the other Latin American countries, particularly the Group of Rio, which has already established its specific stand on the U.S. Supreme Court ruling that U.S. laws on this criminal matter can be applied extraterritorially. We reject this idea. We believe it establishes a risky precedent that tends to defeat the world aspiration for all countries of the world to govern and abide by international law, now that the East-West confrontation has ended.

As for the matter to which you refer, an investigation carried out by the Venezuelan Government determined that the current cooperation among all the countries in the region in the fight against drugs, especially among the Andean Pact countries and with the United States, has established closer links among the police authorities of our countries and has led them to cooperate in operations against drug trafficking. Nevertheless, at no time do they seek to make it easier to violate our country's precepts. They adhere to the need for extradition in order to take a citizen from one country to the country where the drug trafficking crimes took place.

The communique issued by the Venezuelan Government was quite clear in this regard. Venezuelan drug authorities helped the DEA to establish contact with the Colombians who were involved in drug trafficking in our country and who were under surveillance. This, however, had nothing to do with the departure of the traffickers, who were apprehended by U.S. authorities in international waters on a U.S. yacht they boarded for an outing from the port of La Guaira. Therefore, our position is emphatic and definite in this area.

[Giusti] Oscar Madrid of ANSA.

[Madrid] In a recent meeting with international reporters, Gustavo Roosen, president of Venezuelan Petroleum, expressed the opinion that by the end of 1992, there would be some \$11.5 billion in oil income, of which \$1.5 billion would go to the national treasury.

There is a fiscal deficit estimated at approximately (\$20 billion). One of your ministers announced that the price of gasoline might be unfrozen. Could you summarize this entire economic picture, and the result of the three-year adjustment period announced in 1989, and if you allow me, is your government carrying out an investigation of the alleged branch of the Sicilian mafia in the country?

[Perez] I wish to say with satisfaction that an assessment of the economic area during the three years of my administration in which the process of rectification began has been satisfactory. The Venezuelan economy is being consolidated. The increase in production is demonstrated by national and international statistics. The country's growth cannot be ignored, and we have already seen a growth rate of 5 percent in 1990 and the GNP grew by 9.5 percent in 1991. We are certain Venezuela's growth will be between 4 and 5 percent this year.

This means that we can feel satisfied with the success of our program, with the solidity of our economic process, and with the foreign investor's continuing confidence in our country's future. At the same time, we have to admit that in these months, in the first six months of 1992, we have had many problems—crime, drug trafficking, and political tensions—and we know that these tensions began with an abortive military coup in February. These are events that coexist with the consolidation of the economic process of rectification we began in 1989. At this time, when we are holding this news conference, I believe, and you will agree with me, that the country is clearly and undoubtedly heading toward full normalcy in political, as well as in social and economic activities. This is a time of transition in which we had to pay a price. Painfully, we are paying a high price because Venezuela was the most subsidized and protected country in Latin America and the impact of this situation has been negative. Nevertheless, we can say with all certainty that in the first half of the year we have definitely overcome the trauma produced by the harsh economic adjustments we were forced to apply since the beginning of 1989.

[Giusti, interrupting] Roberto Cienfuegos of EL EXCELSIOR.

[Perez] We have read the media reports stating a branch of the Sicilian mafia could possibly exist in Venezuela. Our authorities have not confirmed this, but it is the government's obligation—in any state—to investigate constantly and check out things. All we can state is the reports have alerted us to a possibility and, once it is investigated and once the appropriate conclusions are reached—if the conclusions are negative—we will notify our own nation.

[Giusti] We now have Roberto Cienfuegos of EL EXCELSIOR.

[Cienfuegos] Good morning, Mr. President. I would like you to expand on your message to the Second Ibero-American Summit, particularly regarding the chances

Cuba may have to become part of the new Ibero-American community. Likewise, since you admit a calmer situation prevails in the country, I would like to know your diagnosis on the main problems or risks for political stability and a successful implementation of an economic adjustment plan in the near future. Thank you.

[Perez] I think the greatest risks have been overcome and a firm growth of the economy—above all in the last five months of 1992, which represented a tremendous test—allow us to assert, without fear of this sounding like a rhetorical statement, Venezuela has already embarked on the road toward the consolidation of this process. We have overcome the greatest obstacles. Furthermore, I think this is also evident throughout Latin America.

Regarding the situation in Mexico—since I am talking with the representative of one of the best newspapers in Latin America—I can assure you it proves we are achieving the goals we established in the region. Mexico is a country that has achieved more progress in the economic adjustment process than Venezuela or any other country in Latin America. It is followed by Chile, Argentina, and Venezuela; and this sets an example for the other countries in the region. We see how Brazil, currently afflicted by a difficult crisis that has also afflicted all our nations, now joins the process with the assurance it will be able to implement essential reforms to strengthen and modernize the Brazilian economy. Hence, I believe this goal has been achieved.

The greatest problem we have had in Venezuela is the people's mentality. This does not mean we are different from the other countries in the region. Instead, we grew accustomed to a situation the other Latin American countries never had access to. The oil bonanza, the oil boom in Venezuela turned us into a country that depended on its revenues and forgot its work force's potential and the need to become part of the world economy. As a result, Venezuelans did not waste a single minute thinking Venezuela could be a member of the GATT five years ago because we were not an exporter country, except for oil—and oil was considered to be above any tariff or trade problem our country had with other nations.

This has been our greatest obstacle but we have already overcome it, as shown by the Venezuelan people's new stand regarding the new economic guidelines. The Andean Pact, one of Venezuela's most important historical facts, is helping our businessmen face the new reality with optimism. This pact is already fully operational between Colombia and Venezuela. Our borders have been opened and, in addition to free trade, we are already in the process of achieving customs unity. The benefits for the two countries are marked and this decision has been backed satisfactorily by the business sector, which for so long regarded this possibility with great mistrust.

I think the Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry]

assembly, a very important annual meeting that serves as a kind of barometer of the country's economic reality and relations between government and businessmen, is also a clear sign of the times. It was a most positive assembly as concerns the announcements it made and, particularly, the outlooks it presented and the Venezuelan businessmen's willingness to join fully this new economic process. As for Cuba, you know very well, my friends, that I have advocated the need to incorporate this country fully into our region. This effort is shared by Mexico and Colombia and all the other countries. Our three countries, surely because they are Caribbean countries, have particularly encouraged this possibility. We are still thinking along those lines, although Commander Fidel Castro has the last word. We wish Commander Castro could take the opportunity presented by the Madrid summit to announce that Cuba, living up to this undeniable world reality of great change, will join the region to which it belongs, because Latin America and the Caribbean nations have always supported Cuba.

[Giusti] Humberto Marquez of AFP.

[Marquez] Good morning, Mr. President. I would like to know what guidelines will be used to permit the participation in state industry of local private and international capital, a project you plan to develop during the rest of your term. How will *Pedvesa* [Petróleos de Venezuela] fare when it becomes associated with private capital?

[Perez] Well, in Venezuela this subject is crucial economically because we Venezuelans believe firmly and are determined that the country's great basic resource, crude oil, should be nationalized. There is no doubt about that. I played the historic role of nationalizing the crude oil industry in 1976. This concept has not changed. When we nationalized the industry, we had a clear vision of the future, of how our economy would become stronger, and how the country should become more aware of its responsibility and its ability to exercise it. This is why we introduced Article 5 of the oil nationalization law. This article prompted a long and difficult struggle. All the country's political organizations, from the Communist Party to the Social Christian Party, strongly opposed Article 5 of the oil nationalization law.

We saw a world with potential to improve. We have always been optimistic about mankind's ability to achieve international justice. Article 5 will allow us to incorporate national and international private enterprises in the oil industry without having to privatize Venezuela's oil.

At Congress there is a bill calling for permission to establish a gas industry program. This bill, which calls for the Cristobal Colon Project, has not yet produced results. The project calls for three big international companies—Exxon, Creole, and Mitsubishi of Japan—to engage with Venezuela in the extensive exploitation of gas for export purposes. At the same time we are asking Congress to approve the creation of associations with

French, U.S., and German companies to refinance or to establish mixed enterprises to exploit the Northern Belt.

From now on, Venezuela will be discussing—clearly keeping in mind our concept on oil as a Venezuelan state industry—how these associations should be forged so that they accomplish several objectives. It should be acknowledged that Venezuela alone cannot implement the development projects necessary to ensure our country remains a big oil producer and exporter because our resources exist in the form of heavy and extra heavy oil and much capital is needed to cover costs. New technology is required to exploit this oil commercially. This forces us to think about cooperation and association with international capital and world technology.

This is the big challenge ahead of Venezuela. This is an endeavor we are going to initiate under my administration. It must be understood clearly that mine has been a transition period from a protectionist and subsidized Venezuela to today's modern Venezuela, which must be based on economic concepts. It is not the much talked about liberal policies that attract us. We know that free market theories must come second to the Venezuelan state's objective to satisfy and ensure the well being of all members of our community. That is: We do not believe in economics that are not directly linked to society. This is the thesis on which we must mount Venezuela's future oil industry in association with international and national capital.

[Moderator] Norberto Maza, from Televisa.

[Maza] Good morning, Mr. President. The transfer of General Ochoa Antich from the Defense Ministry to the Foreign Ministry has revealed an emphatic interest in Venezuela's relations with other countries, relations that are not as polemical as those we maintain with Colombia and Brazil.

We have noticed a rapprochement with the English-speaking Caribbean countries and that Venezuela is engaged now in negotiations with the French Government on French overseas territories. Does this low profile with regard to the Colombian border mean that we will soon be informed of new developments in our relations with Colombia?

[Perez] I must tell you that this foreign policy was established during my first administration, from 1974 to 1979, and affirmed by the government I initiated in 1989.

We must start with the fact that in today's world—in which the economy has become global and multinational in nature—we are now establishing the foundations for a supra national legal system that will bond all the nations of the world. International relations and policies will constitute an essential basis for our national policy. This will influence Venezuela's efforts and ambitions. We must begin by extending our relations with our geographical neighbors, with the countries that surround us.

There you have Brazil, Colombia, and the entire Caribbean. This is why, since the very day I took office, I gave priority to making our relations with the Caricom [Caribbean Common Market] nations friendly and profound. We are signing an economic agreement by which we will establish a nonreciprocal exchange with the countries, which does not oblige them to grant us the same benefits we grant them. We are doing the same in Central America, which is also a part of the Caribbean area. We have established this policy for the region and for the world.

The very day after I took office, during a meeting with then Colombian President Virgilio Barco, Colombia and Venezuela signed an agreement at the Presidential Palace. We took advantage of a meeting with magistrates from all over the world to sign this agreement to begin dealing with border problems by creating national commissions that would later become binational commissions to examine all of our border relations. The agreement also called for the appointment of a high level commission to study the main issues in relations between Venezuela and Colombia. These two commissions are working quietly, but effectively, to promote discussions to find solutions to all the problems that may exist or may be forming.

Amid this, we have seen the Andean Pact's great success and the issue of free trade among the Caricom nations, which will contribute to speeding up the integration process and ensuring its success. We have never had any specific problems with Brazil. We have sought closer relations with that country, particularly economic and political relations. We have projected our policy to the world and tried to participate, whenever possible, in major international decisions. We have realized that our countries cannot play any type of role on their own, no matter what individual influence or international force they may have.

This is why we have carried out our policies through the Rio Group and other such entities, which we have created to strengthen our influence and position on the international policy scene. The appointment of Fernando Ochoa Antich as foreign minister will end another of the myths of our country. There was a sort of dividing line between Venezuela in civilian clothes and Venezuela in a uniform. Each side used its most capable and qualified members in a way that prevented them from contributing to the development process of the country as a whole. I was tickled to hear the rumor that we were going to militarize the country's policies with the appointment of a soldier as minister. I thought: How strange to have started by militarizing foreign policy! I do not see how that could be.

[Guisti] Estrella Gutierrez from IPS.

[Gutierrez] Good morning, Mr. President. When Ludmilla said before that this was a rainy day, she surely meant that it still has not stopped raining for the governments of several Andean countries. Besides the

events in Venezuela, this is the second day of a cruel armed strike in Peru. In Colombia, President Gaviria had the situation blow up in his face when Escobar escaped. Could you examine these two events and state how they might affect the Andean Pact? Do you believe, as President Fujimori said, that the pact will gain strength after Peru pulls out? I have noticed that you are in something of a poetic mood in addressing Spain's contributions to the EEC, perhaps because you feel yourself in Madrid. The years Spain has been an EEC member have not been very beneficial to Latin America. Its latest contribution, by contrast, has been to lead in implementing an import tax on bananas, which implies a serious crisis for many Latin American economies.

[Perez] Estrella has come out in support of Ludmilla's metaphor. [laughter] Actually, this is among the things that worries me most as a politician who has placed great interest in and has a strong conviction that our future lies on our ability to participate in international politics, on whether Venezuela and all of Latin America have a role in the discussion of the world's most important issues.

What worries me, I repeat, is that Europe and the industrialized world still have a mistaken concept about Latin America, and thus, unfortunately, there are problems on our path, that is, detours along the way of such a long and difficult journey, which is the incorporation of Latin America to development, its full incorporation into the developed world.

We have encountered many problems on that path, on our journey. We encountered one of them on 4 February. Instead of focusing on the positive aspects—such as the fact that it was clear that our military institution and Venezuelan democracy are strong—the inclination is to focus on the negative and believe that the threat of military governments is alive in Latin America. People who think this way fail to realize this is a transitional situation. Unhistoric forces are again trying to prevail in our region. They are being stopped by a vigorous process of democratization, which is unstoppable in Latin America. That is one aspect I should point out in replying to your question.

The same applies to situations such as Colombia's. It is unfortunate that this problem has emerged. The escape of this international bandit from a high security prison is a setback. Such processes are unavoidable. Many institutions and many moral forces, which are very important in the countries that are assuming their full international responsibilities, have not yet been consolidated.

What has happened in Peru is the most painful and perverse thing because it opens a new path for militarism in Latin America. Militarism has not had to show its face directly, but acts through a civilian. These are problems in Latin America's route or path toward its great destiny. We should not view these as a return to the past and much as less as evidence that we are still anchored to a past that harmed us so much.

I must say that Latin American society has changed profoundly. Military coups and the presence of soldiers and oligarchies in power in our societies 40 or 50 years ago were consistent with their development. However, a temporary weakness exists in present day Latin America, which has nothing to envy of large industrialized societies. The only problem is that each of our peoples has not yet been able to establish a generalized culture, generalized development.

It is very important for us to realize this. It is important for Europe, the United States, and all the world's industrialized countries to realize this: Latin America is already on the final stretch to incorporating fully into western civilization and development. These situations do not worry me. They encourage me to continue the struggle we must continue to wage in a coordinated fashion, and on very solid bases, in our homelands.

We now understand that we must not defend democracy on an individual basis in our countries, but that we must defend it collectively. This prompted the OAS reform made in Chile, which is still weak, and our reaction to the events in Haiti. This also prompted my complaint and reaction to break away from the OAS general agreement by severing ties with Peru. I did this to state that it is not fair to treat two similar situations differently. This even gives the impression, going into the technical aspects, that we see Haiti as being less important than Peru, which we treated more harshly. These are the reasons behind my administration's policies. I believe this is an inevitable path and we are making progress. I do not think we will return to the past.

Turning to the problem of our relations with the EEC and the United States, we are obviously still living in a world characterized by international justice, but also by disputes between powerful nations. What is taking place between the United States and Europe has to do with problems concerning taxes on agricultural products. This has prevented the Uruguay Round from being approved so that we can take advantage of these universal provisions for trade among nations.

We see how in Europe they are committing an absurd act. These countries want to tax bananas, part of the economy of the weakest Latin American countries. Bananas are produced in the Caribbean and in Central America, although they are also produced in Venezuela, Brazil, and other countries. But they are not an essential part of the exports of the latter countries, while they represent a significant part of the exports and gross national products of the former countries. This shows that the industrialized countries do not consider us with mutual respect.

This is the struggle we must all wage. This gave rise to the Rio Group, the Group of Three, and the decision to unite us to strengthen our international position. But this is also temporary. Europe has made a mistake by not looking at Latin America. Spain and Portugal must understand the great role bestowed on them by recent

history to serve as a bond between these two worlds, namely the Latin American world, including the Caribbean, and Europe.

[Giusti] Finally, Mr. Ernesto [name indistinct] of [words indistinct] German Press will take the floor.

[Reporter] Mr. President, I wrote down a question stating that I am not as optimistic as you on the prospect of relations between Europe and the Ibero-American community. The old continent has problems of its own and does not have the capacity to help others. But I realize that you know this, so this question is no longer necessary.

Can you tell me the Venezuelan Government's reasons for sending your foreign minister and an important delegation to France instead of Spain, as other Ibero-American countries have done? Thank you.

[Perez] Regarding the first part of your statement, I must say that my optimism is based on the fact that I do not expect immediate results and that, to all my actions, I apply a phrase that is famous here: First it rains, then it stops. We are experiencing difficult times. If we look at short-term prospects, we must give up and say that no results will be achieved. But if we look at long-term prospects, particularly after the great revolution that is taking place in the world, the disappearance of the East-West confrontation, and the dismantling of international communism, we must think that everything is possible in our region in the medium- and long-term. The world is moving toward new stages of understanding, in which international justice will stop being mere rhetoric. We see that as time passes, countries need each other. We need one another.

This pragmatic sense will lead us to understand the future of mankind with greater solidarity and kindness. This is the basis for my optimism.

With regard to the foreign minister's trip, we must understand that the Ibero-American summit was exclusively for heads of state.

The Earth Summit held in Brazil, for example, had representatives at various levels. There was a level of experts, a level of ministers, and the level of heads of state. I was unable to attend the summit in Brazil as a result of certain difficulties and for other reasons that are part of the provincialism prevailing in Venezuela.

Even though I was unable to attend the Brazil summit, our experts participated and did a tremendous job, as did our ministers, who also played a very important role. The voice of Venezuela, however, was unheard, as the only speakers were the heads of state, and I was not there.

This summit in Spain is exclusively for heads of state. It does not have representation at various levels so the foreign minister, who was to accompany me to the summit, cannot attend. We had already planned a visit

to France; the former foreign minister had made the arrangements. That is why the foreign minister went to France.

Although this is secondary, I do want to point out the minister was accompanied by a very small delegation of a few advisers. I am very careful about this, and I do not want anyone to confuse our visits abroad with our country's former foreign travel practices. Inasmuch as we had delegated all our international responsibilities to the United States, whenever we traveled abroad it was only for vacations.

That is not the case today. Now we go abroad to work and that is what our foreign minister is doing in France, where we have special reasons for seeking an understanding in the economic field and concerning international politics. Does that answer all questions?

[Giusti] Yes, sir.

[Perez] Gentlemen: I thank you for being here and for this opportunity to talk with you. We will try to meet on a (?monthly) basis, in addition to the interviews I may grant to any correspondents who wish to speak to me. Thank you very much.

[Giusti] We thank the foreign correspondents for attending this news conference with the president of the Republic, who was accompanied by Presidency Minister Celestino Armas and the chief of the Central Information Office.

Perez Downgrades 7 Ministries to Secretariats

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[Text] Caracas, 22 Jul (EFE)—As part of a reorganization process in this country's executive cabinet, on 22 July Venezuelan President Carlos Andres Perez did away with seven ministries, which will now become state secretariats.

The ministries affected by the measure were: Relations with Congress, headed by Jesus Carmona; Tourism (Corpoturismo), headed by Victor Gamboa; Culture, headed by Jose Antonio Abreu; Drug Control, headed by Enrique Rivas; Promotion of Women, headed by Evangelina Garcia; Commission for State Reform (Copre), headed by Jose Octavio; and Central Office of Information (OCI), headed by Angel Zambrano.

The respective ministers had resigned from their posts last month as an initiative aimed at facilitating administrative reforms.

Two state ministries: the Guayana Development Corporation (CVG) and the Coordination and Planning Office (Cordiplan) retain the ranks of ministries and their respective ministers will continue to be in charge: Leopoldo Sucre and Ricardo Hausmann.

Perez said the reduction of seven ministries is a sign that the government is heeding requests being made by the different political sectors, which want a reduction of state bureaucracy.

From now on, Venezuela will have 17 cabinet ministries.

Venezuelan President Carlos Andres Perez is considering the possibility of including more military officers in his cabinet and in other important government posts, Caracas EL MUNDO newspaper stated on 22 July.

The newspaper pointed out that General Manuel Heinz Azpurua, current director of the Directorate of Intelligence and Prevention Services (Disip) will become the new interior minister, "when current minister Luis Pinerua leaves his post."

EL MUNDO said "government sources," which it did not specify, gave the information on the alleged cabinet changes planned by Perez, which include the appointment General Fredys Ventura Maya Cardona as the new Disip director.

Perez' cabinet already includes Generals Fernando Ochoa Antich and Ivan Dario Jimenez as ministers of foreign relations and defense, respectively.

Others occupying important posts in the current Venezuelan Government are Generals Julio Santos Corredor, appointed president of Municipal Institute of Urban Sanitation, and Anerg Garcia Monagas, appointed president of the National Commission Against Illegal Drug Use.

* Pablo Medina Discusses Causa R Agenda

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4 Jun 92 pp 21-28

[Interview with Pablo Medina, secretary general of Causa R, by Jurate Rosales; place and date not given]

[Text] "We are neither on the left nor on the right," says the secretary general of Causa R, whose numbers in the polls have risen to the point that a more precise definition of this group's position in the political spectrum has become necessary. It is obviously a radical group whose economic program is still fairly imprecise.

The secretary general of Causa R (Radical Cause), Pablo Medina, 44, accompanied by the party's coordinator in Miranda, Adelardo Zulueta (also 44), agreed at ZETA's request to discuss their group, whose numbers in the polls now give it growing weight in the Venezuelan political scale.

The latest polls show without a doubt that Andres Velasquez, the present governor of Bolivar State and the main leader of Causa R, will easily win reelection as governor. On the national level Causa R, which until now has only had strength in Bolivar State and some partial support in Carabobo, is drawing more and more supporters. Still, the peculiar way in which Causa R was

founded and grew, primarily as a union group in Sidor [Orinoco Iron and Steelworks], has shaped the group's ideological base, which does not match the usual pattern of a traditional political party. For that reason, ZETA tried to determine just exactly what the original Causa R was politically. This group was born and grew up in Venezuela and has no parallels in other countries.

[Rosales] How does Causa R plan to solve Venezuela's current crisis?

[Medina] This might seem a contradiction in terms, but in our view the crisis can only be resolved through democracy. For a long time, we have been talking about the need for political change in Venezuela, always with this in mind. Causa R was founded with a democratic philosophy....

[Rosales] We understood that Causa R was actually founded almost as a union in one particular industry.

[Medina] No, no, no. Causa R was a tiny group of 12 members led by a philosophy professor named Alfredo Maneiro, who died in 1982. Starting with a very small group, Alfredo wrote a political thesis entitled "Negative Notes," which was an essay describing what was to become Causa R. At that time, he had no idea of forming a group that would present itself to the nation as a nascent political party, as very few people were involved. Then the group disbanded. Some of its 12 members went to Catia, others to the Central University of Venezuela, others to the University of Merida, and I went to Guayana, to Sidor.

[Rosales] Were these moves planned by Maneiro?

[Medina] No, no, no. It was a voluntary move on the part of all of us. Then there was created what we in Causa R called the four-legged system, with Pro Catia in Catia, PRAT [expansion not given] at the UCV [Central University of Venezuela] and ULA [Los Andes University], and the Matancero Movement in Guayana. We thought political organization should be handled differently and should not be an unusual event, arising from an already established party. How are parties started in Venezuela? They are the product of former divisions. Once they are formed, they establish political bureaus, programs, bylaws, a disciplinary tribunal, and become extremely rigid. Here the situation was the reverse; the group did not reorganize anything. We are going to build an organization, but with the people taking part in its construction, the workers participating in its creation. The key is to call on the workers to take part in political development and in the political organization to be created.

'We Are Neither On the Right Nor On the Left'

[Rosales] Theoretically, are you on the left, the center left, or the right?

[Medina] None of them.

[Rosales] None of them? So what is the group's ideological base?

[Medina] Radical democracy, in a program of day-by-day construction.

[Rosales] You do not cooperate with the far left?

[Medina] Neither with the far left, nor with the right.

[Rosales] You consider yourself a supraparty?

[Medina] We are a political organization, and Causa R is a political organization. Causa R is a group of autonomous organizations, a social movement, but with a political plan. For example, in Catia, Causa R is called Pro Catia. In Valencia it is called Zona Sucre Causa R. In Guayana it is Matancero Causa R. In each place it has its own name and a local base. What unites them all is a political plan, the plans we have in the name of Causa R.

[Rosales] But, just as an example, do you plan to take money away from the rich to give it to the poor?

[Medina] No, absolutely not. In Venezuela it would be sufficient to manage our oil revenues properly. These are public revenues. A tax could be levied on them to be paid and used in an orderly manner.

The Problem of the Debt

[Medina] Look, what has happened in Venezuela? We have two big problems here, which I can summarize like this: One is Perez and the political class, and the second is the foreign debt. The foreign debt is the mother of all our problems. Venezuela has been in existence for two centuries, and during these two centuries it has been making payments on its foreign debt ever since independence. We say it makes no sense for the people to be the ones paying the consequences of the foreign debt that was not contracted by the people. This foreign debt was incurred because the state public enterprises were forced to go into debt, because the financial sector took savings from the Venezuelan state, so the state had to go into debt. Why did oil revenues, which are public revenues, leave the country as private revenues? Privatization began here a long time ago with oil revenues.

[Rosales] How did these revenues leave as private revenues?

[Medina] The financial sector, through its channels and credits, has more than \$80 billion abroad....

[Rosales] So you think it was illegal to approve the private debt?

[Medina] It was illegal; part of it is illegal. Eleven billion dollars is illegal. We told Carlos Andres Perez this in January 1989, when he called the parties and told us: "We are going to the International Monetary Fund; there is nothing else we can do."

At that time we said that there are other possibilities. For example, why not tax capital abroad at 5 or 7 percent; a bill to do this is being drafted. We do have a list of those who sent money abroad.

[Rosales] So you are not advocating a solution like what Alan Garcia tried in Peru, which consisted of not paying.

[Medina] No, no, on the contrary. Look, in 1985, a discussion among the Latin American parties began in Havana, and they decided not to pay the foreign debt. At that time we said that was not possible, for all the Latin American governments were going to pay. We said: The debt has to be paid. In 1985, and this is contained in written documents, we said: The debt has to be paid. The problem is who will pay the foreign debt, because if you advocate nonpayment of the foreign debt, you are exonerating the country's financial sector and the National Bank, which was the one that took the dollars, that appropriated money abroad. Payment must be made. The problem is who will pay the foreign debt, and all the problems stem from that point. In 1985, we denounced the fact that major international money laundering was going on and that the National Bank had swindled Venezuela and taken its money. There is even a 1984 report from the Bank of Basilea stating that from 1974 to 1984, \$174 billion came into Venezuela and during that same period, \$184 billion left the nation.

[Rosales] What do you think is the solution? Getting capital that is abroad back through taxes?

[Medina] Taxing capital....

[Rosales] That is practically impossible.

[Medina] Why? If we have a list of those who removed dollars from Venezuela, and in Venezuela....

[Rosales] Those dollars simply leave the country and do not come back.

[Medina] But the people who sent the dollars are here; they are in Venezuela.

[Rosales] If they are in Venezuela, if you tax them, they will leave.

[Medina] Not necessarily. There are two ways to handle this: the 1971 law on illicit enrichment or the tax provisions of our income tax legislation. The United States requires any person who removes money from the country to pay a tax. This is the same thing; it is the application of the U.S. system in a certain way, or partially. In Venezuela since 1974, people have been obtaining profits without declaring those earnings.

[Rosales] Then this is part of the solution you see for the crisis facing Venezuelan democracy.

[Medina] It is a partial solution. If revenues that were taken abroad can be retrieved through a tax, we can practically pay off the foreign debt with that money, and then our oil revenues can be used for the nation's benefit.

In the current budget, which runs until December of this year, 26 percent of our national budget is going for foreign debt payments, and in 1995, we are going to use almost 50 percent of the budget for these foreign debt payments.

No More Debts of Privatized Companies

[Medina] There is a big pitfall with privatizations. We assumed the CANTV [National Telephone Company of Venezuela] debt for \$500 million to privatize the company, and now we are going to take over the Sidor debt for \$1.5 billion. And what is Carlos Andres doing now? He is auctioning off the state's public enterprises, selling them like so many old chickens or animal hides....

[Rosales] Are you against privatization as a general rule, or just against some privatizations?

[Medina] Some privatizations.

[Rosales] So in essence, each case has to be considered separately.

[Medina] Separately. Here we are moving from our traditional system to neoliberalism, and the problem is that none of our governments has had a national plan, national goals. Venezuela does have the potential of its oil revenues, the Guayana heavy industries, and agricultural production. We believe that these three areas can serve as supports for a national plan, and as soon as we have our national objectives, then we can reach agreement on the state's security area, the area of the domestic private sector, the international part. That does not exist in Venezuela.

The Electoral System

[Rosales] Do you think elections should be uninominal?

[Medina] No, that system is a step backward, not a move forward.

[Rosales] What is your solution?

[Medina] An open ballot listing each candidate by his or her full name. What is wrong with the uninominal system? It is antidemocratic, and the example of Caracas proves this. Caracas has 25 council members. This means that under the uninominal system with 25 wards, a citizen of Caracas can only select one council member and cannot choose more than one council member on the uninominal slate, but he has to vote for a ballot of 25. There are tremendous limitations in the uninominal system. We want a system of open ballots, so that a citizen of Caracas will be able to choose. Imagine that with 25 council members, there is the MAS [Movement Toward Socialism] slate listing all those who want to run. The Caracan citizen with an open ballot can choose the seven best from Democratic Action [AD], five from COPEI [Social Christian Party], six from Causa R, two from MAS, and so on. And on my ballot, I could list the full names of each person and cast my ballot for 25 council members.

[Rosales] And do you think this is feasible in practice?

[Medina] Of course it is possible; this system exists in other countries.

Who Are Causa R's Members

[Rosales] We have now defined two important points: You are a radical party, and we have placed your party in the political spectrum, neither to the left nor to the right. Did I get that right?

[Medina] Exactly right.

[Rosales] You do not consider your party a class-based party?

[Medina] When people talk about a class-based party, they mean a party of unskilled workers, but Causa R is basically a party of workers and of people who work. Our members are not just unskilled workers, but doctors, engineers, people from all the professions.

[Rosales] Remember that the initial strength of AD and COPEI came from the fact that they drew support from all social classes, while you are in just a single group. Am I wrong about that?

[Medina] But this group has the workers, and there are about 7.5 million workers in Venezuela. What do people want now? In Venezuela, people are not calling for a social struggle, a class struggle in historic terms, but instead a democratic and national struggle. That is what is happening in Venezuela. Since this struggle is for democracy, we have to move from the traditional political system to a political system that incorporates democracy. According to AD, COPEI, and MAS, democracy is the government of the political parties to be represented for five years in Congress with the institutional pact. We think democracy is something else. Democracy is the government of the people. Aristotle, the great enemy of Athenian democracy, was also the man who best defined it: When the majority governs, democracy governs; when the smallest, weakest majority governs, then democracy governs. In our view, what people want is simply a truly democratic government, so we need to change. There is now a coincidence between a temporary issue—Perez—and a structural problem—the political parties.

Constitutional Reform

[Medina] The parties have carved up the Venezuelan state among themselves. We need a reform to separate the Judiciary from Congress so it can be independent, so the parties cannot elect the Judiciary.

Constitutional reform thus conceived cannot be like the one invented by Copre [Presidential Committee to Reform the State]; that is a reform from the top down. Nobody believes in the Copre reform, and that is why we never bothered to discuss Copre....

[Rosales] Will you support the Caldera constitutional reform?

[Medina] We like some things in the Caldera reform. The problem is that if a referendum were held on the Caldera reform today, very few people would vote for it, even though the reform has many good points. The nation's problem now is Carlos Andres Perez.

Shortening Perez's Term

[Medina] Right now, the reform should focus exclusively on a political solution, one that is constitutional, democratic, approved by the vote of the people, and peaceful.

[Rosales] In your view, what is this political solution?

[Medina] The referendum, shortening Carlos Andres Perez's presidential term, and leaving the rest of the reform for later....

[Rosales] But you have blocked all that in Congress....

[Medina] No, we have not. Artistobulo made two speeches, and I made four speeches on this issue....

[Rosales] But the result of your speeches has been blocked through the AD pact with COPEI.

[Medina] Right now, everything is blocked. There is no political solution at this time.

[Rosales] There is no political solution?

[Medina] I do not see one; we do not see it. Why? What are the political solutions? The first: the petition for the resignation of the president of the Republic. We never agreed with the concept of the president's resignation as Luis Herrera said: Change or resign. We said: President Perez is never going to change, and there is even less likelihood that he will resign. First of all, he would rather ruin Venezuela than change or resign. The other solution, a constituent assembly, is a solution, but it first requires the departure of Perez, and a referendum to shorten the term is the one way out that the people can see. There are polls showing that a referendum to shorten Perez's term is supported by 70 percent of the people, but there is the relationship of Eduardo Fernandez and Carlos Andres Perez, the same relationship that exists between a dead man and a gravedigger. Eduardo Fernandez would rather go down in ruin with Carlos Andres Perez to avoid shortening the term, which is the only way out we see. It seems to us that Perez and Eduardo Fernandez are consciously, deliberately seeking a military solution. They want the imposition of a military solution or a solution like what was announced in the political pact document calling for the possible dissolution of Congress.

[Rosales] And you have not suggested any solution because you reject those requiring the use of force.

[Medina] Of course we reject such solutions.

[Rosales] In other words, if there is an solution involving the use of force, you will reject it.

[Medina] We are seeking a democratic solution, a constitutional, peaceful way out, a referendum. The problem is that Carlos Andres Perez is imposing a military solution on the nation, and that is what is so serious about this issue.

[Rosales] Is there any possibility that the two majority parties in Congress may come to understand this danger and reconsider their position?

[Medina] We have a parliamentary bloc with a number of parties. Matos Azocar, Paciano Padron, part of COPEI, MAS, MEP [People's Electoral Movement], and Causa R. This bloc favors a referendum to revoke the presidential mandate immediately. About 50 members of Congress met at first, but immediately afterward came the COPEI debate, and Eduardo Fernandez almost threatened to expel Paciano Padron and all the people he had asked to collect signatures in Congress. We were very concerned about that, because in our view, shortening the president's term is the only way out.

Drawing Power

[Rosales] You have a base of support in Zulia, Carabobo, Aragua, Lara?

[Medina] Caracas, Miranda, Bolivar, Yaracuy, Oriente....

[Rosales] So many places?

[Medina] Yes.

[Rosales] With that base of support, are you directly involved in organizing protests and strikes? For example, in the Merchant Marine strike?

[Medina] Since 4 February there has been an unstoppable social movement here. This country's major political problem is that Carlos Andres Perez is the president of only 10 percent of the Venezuelan citizens, while there are 90 percent do not want Perez, do not want him as their president. So we have uprisings, demonstrations, work stoppages, and also the Merchant Marine situation, because they do not view Perez as a serious man capable of solving the nation's political or social problems. So, are the Merchant Marine people right or not? That strike has already been announced, but still the president or his copresident, Pinerua, have been incapable of calling the Merchant Marine captains and sitting down with them at a table to negotiate in order to find a solution.

[Rosales] But they are moving heaven and earth to prevent the Merchant Marine strike.

[Medina] Yes, but they are using the worst methods to prevent it, not through a dialogue but by force, blackmail, and other maneuvers.

[Rosales] Do you think this strike will happen?

[Medina] It may happen.

[Rosales] Do you have anything to do with that group?

[Medina] No, we have nothing to do with them. We work directly with the oil workers, but a vote of that nature is just, and we would support the Merchant Marine. We would support their strike.

[Rosales] What might happen? I think the issue is so serious that they are going to prevent it in any way they can.

[Medina] I hope they will prevent it, but this government is just a shadow of a government. It is deaf and dumb.

[Rosales] Are other strikes planned?

[Medina] The Public Administration strike, the shut-down by producers with 5,000 units coming to Caracas, and the march on Caracas.

[Rosales] And you support all that?

[Medina] Yes, of course. We have direct relations with the Guarico, Portuguesa, and Barinas producers. Then there are disputes involving the CANTV people, the Cadafe [Electrical Administration and Development Corporation] workers, and a privatization of the basic industries in Guayana that they are planning to give away. We are not going to let that happen.

[Rosales] Is there going to be a strike?

[Medina] We are not going to let that happen. We do not know what will happen, but we are not going to allow our industries to be given away. This is a national struggle, involving the defense of our sovereignty....

[Rosales] The polls have been favorable to you, and now that you have reached this level of popularity, it is essential for you to publish a platform. Do you have one?

[Medina] We have been working on one for some time. We do have draft reports, and in July we are going to hold a national meeting of Causa R at which we will release our national platform. We have drafts on the democratic part, on economics....

[Rosales] Where will you hold this meeting you have planned?

[Medina] Here in Caracas.

[Rosales] When?

[Medina] 15 July.

[Rosales] And it is going to be a national meeting?

[Medina] It will be national, yes. We have an economic report, but there are drafts on establishing a different government in which we discuss the democratic problem. As I told you, our platform is very simple, because constitutional reform is not going to satisfy the people. The reform must come from the bottom up.

The problem in Venezuela, the key for us, is on one hand to eliminate the Legislative Assemblies and establish governments in the city, with their own powers and

attributes. In other words, our formula is the municipalization of democracy and the democratization of the city. What the constitutional reform proposes is federalism, and federalism is centralism brought to a provincial level.

[Rosales] You are not federalists?

[Medina] No, we are not federalists, we are proposing....

[Rosales] In other words, you are at least decentralists.

[Medina] Well, that is something else. With the Constitution, they are decentralizing the problem, not decentralizing solutions. There seems to be no possibility of solving problems on a regional level. We believe that the key idea is government in the cities.

Take the problem of Caracas. In Caracas, we have a municipal council that meets at noon so people will not know why they are meeting, in order to maintain the greatest obscurity about what they say and do. However, in Caracas, we also have a parochial city. We have 18 parishes, and each parish is a city. We want government of the parishes, in which in each parish in Caracas, people will know to whom they should turn. A parochial government would handle taxes for the parish. There would be a parochial school, parochial police, businesses in the parishes, a parochial government and parochial legislature that will bring representatives of these parishes together in order to work out the city's future problems: the problem of urban democracy, the city's culture, problems related to the city's growth. That is what we are calling for, democratization of the city's life. To do this, there must be structural and political change, and to develop this program, it must change from being a system of government by the parties to being a government of the people, that is clear.

Now, is this possible? Of course it is possible, we have the example of the government of Bolivar State, of how the government budget is prepared. It is discussed with people openly, with factory managers, with organizations, in the city in Plaza Bolivar. People come to the assembly to discuss the state budget and other issues. The problem of the state's health is discussed openly. With the government promoting the problems of democratizing the city's problems, it is easy to do this. Dr. Uslar said that to have a democracy of this type you have to go see how the Swiss do it. The Swiss are proof that this type of democracy works, and for that reason, it is possible.

Uslar Pietri has made statements to the press admitting that the referendum is needed. He has even offered a question for the referendum, saying that the reform needs to be reduced to a single item, the referendum on shortening Perez's term in office, stated in the form of a very simple question: Do you agree that Carlos Andres Perez should continue in office, yes or no?

[Box, p 22-24]

Some Guidelines on Economics

Excerpts of the draft document to be studied at Causa R's convention scheduled for 15 July in Caracas:

The economic and social crisis produced by neoliberal policies has been of such magnitude and depth that the economic policy proposed must, in the eyes of our society, be immediately applicable and one that will have visible results in the short term. It must also overcome the accelerated monopolization and speculative trends that have arisen in Venezuela in recent years.

In adopting such a perspective, though, we must formulate objectives and guidelines that can transcend the immediate present and stimulate our internal forces, thus enabling the nation to abandon its passive stance in dealing with the world's economic situation.

The values of freedom and democracy can be sustained in a great social pact, with economic agents cooperating and working together.

The Venezuelan economy's structural inertia can be changed if we develop a policy that, while recognizing the factors which shape it, articulates responses redefining the role of each of the economic agents, as well as their place in the domestic social whole and in the international sphere.

Below are sketched the central guidelines of this approach, on which we plan to develop special sectorial aspects of our economic policy.

- Gradualized integration of the Venezuelan economy into larger economic spaces.
- Use of our comparative advantages in defining industrial and trade development strategies.
- Gradual and selective opening of the economy in areas run by oligopolies, stimulating competition, but also protecting the weakest sectors, as necessary for our process of integration.
- Use of our available resources in a manner consistent with the macrosocial and dynamic objectives listed.

The preceding guidelines give new meaning to proposals like raising the quality of our public spending, determining the use or nonuse of foreign currency resources to pay the debt, or other plans. They do not in themselves define the role of the state or of other economic agents, but they do determine the context in which this role and these functions acquire meaning for the social alliance of democracy.

Two problems arise as key points in the direction to be selected. The first is related to the possibility of achieving economies of scale, and the second, to the possibility of attaining new levels of productivity in our domestic system. Both were given simplistic and mechanical answers under the former model, which imagined it could overcome inefficiency via indiscriminate competition with foreign industry and through the

eventual requirement for profits which would ultimately be placed on individual companies. We know the results of that approach.

The conviction that the import substitution model and its capacity for growth and expansion were worn out was followed by implementation of a model emphasizing exports, which lacked any viable base, precisely because of indiscriminate state support during the former period.

The possibilities of both replacing exports and expanding our range of exports still exist. Venezuela remains one of the Latin American countries with the greatest imported component of its product, and the potential to place its raw materials and preprocessed goods in favorable conditions.

The evidence of a balance of trade in which our imports are reaching the magnitude of our oil revenues tells us that any long-term prospect demands an economic growth policy with the possibility of generating a growing influx of foreign currency. Our potential in this regard lies in industry, agriculture, and tourism.

The two major ways to defend our basic product, petroleum, are by strengthening OPEC and increasing our involvement in petroleum processing. Unfortunately, these two ways are not always in harmony. Our country has continued to pursue an ambiguous policy in this regard, in which it favors OPEC and at times even tries to turn around our international participation in processing hydrocarbons. These trends should be reversed, and we need to place greater emphasis on industrial processing. Therefore, we should formulate a new policy in which association with foreign capital outside of Venezuela would be expanded in this area. The participation of foreign capital in this area in Venezuela could be stimulated through a special cooperative program using Venezuelan economic agents. Such a policy would also be valid for steel and aluminum.

Our ties with OPEC during this phase of our development could be oriented toward expanding financial backing for our nontraditional exports by transforming the OPEC Fund into an international bank and creating a new technologies bank.

In agriculture, we need to distinguish two areas: one in which we can expand our supply of exports, and another area related to the domestic market. In the first case, specific programs related to modes of consumption and requirements in terms of production, selection, packaging, and transport should be implemented. In the second, we should develop policies to increase the efficiency of the food chain by raising physical and economic productivity in its various phases and sequences and also by reducing losses and wasted time.

Tourism has obvious potential to affect employment levels. Our country's location, its extraordinary endowment with natural scenery, and the present orientation of international flows of tourism may make tourism one of our major sources of foreign currency revenues. This

calls for a domestic program to consolidate our infrastructure, along with a clear concept and program to protect our environment and biotopes, as well as a new use of our foreign service.

This new role for our structure of representation abroad is also valid for supporting new exports, for financial service, and for seeking technology transfers.

Specific legislation should give a key organization like the Central Bank greater autonomy in relation to state administrative structures to boost its economic potential and enable it to influence large economic and financial groups.

The role of the state will continue to be central in our development, and its tasks of expanding the savings rate and stimulating the market economy will be facilitated if the areas where its presence is vital during the current period and the limits of its actions are specified. It is equally necessary to abandon the ideology of the market economy as a universal panacea and to recognize the need for extraeconomic regulations.

In relation to the concept of ownership in the petroleum sector, this discussion has a basic strategic nature, particularly if we want to maintain a social alliance enabling the less favored sectors of our society to participate.